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SUPERFUND DIV.
DIRECTOR'S OFC.

June 24, 2013

Ms. Cynthia Brown
Removal Enforcement Coordinator
Environmental Protection Agency, Region 6
1445 Ross Avenue
Dallas, Texas 75202

Re: Explo Systems, Inc.
CERCLA 104(e) Information Request, dated May 10, 2013
SSID No. A6GH

Dear Ms. Brown:


This letter provides the response of Explo Systems, Inc. to the CERCLA 104(e) Information Request, dated May 10, 2013. The responses are attached and made a part hereof.

Explo has made a good faith effort to fully and completely respond, even if it had general or specific objections to the request. If you find any response lacking or need additional information, please contact us immediately and Explo will work with you to provide the necessary information.

I trust this is sufficient for your needs at this time. If you have any questions, concerns, or comments, or need additional information, please contact me.

Sincerely,

Explo Systems, Inc.

By 
David Fincher, President

RESPONSE OF EXPLO SYSTEMS, INC. TO EPA, REGION 6'S CERCLA 104(e) INFORMATION REQUEST

Explo Systems, Inc. (Explo) received a CERCLA 104(e) Information Request, dated May 10, 2013 (Information Request), from the Environmental Protection Agency, Region 6, on or about May 13, 2013. The Information Request consisted of three 'enclosures,' one of which, Enclosure 3, contained twelve Questions requiring a response within thirty days of receipt. Several of the Questions required the production of documents.

By letter dated May 14, 2013, Explo requested an extension to respond to the Information Request. The extension requested was granted on May 15, 2013, requiring a response on or before June 28, 2013. Therefore, this response is timely.

Explo operates at Line S at Camp Minden. It began its operations at Line S after August, 2006. However, on May 20, 2013, the Louisiana State Police (LSP) physically seized Explo's licenses and its magazine keys. The keys were turned over to the Louisiana National Guard.

GENERAL RESPONSE AND OBJECTIONS

1. Camp Minden (also known as the Louisiana Army Ammunition Plant) has been in existence since World War II and has been extensively used by the United States government for the manufacturing and storage of munitions. As can be expected, its use by the United States has caused contamination in soil, sub-surface soil, and groundwater throughout Camp Minden. In fact, the Louisiana Army Ammunition Plant was a Superfund site.

Line S was heavily contaminated by the United States' operations. The contamination at Line S has been documented in at least two major studies, both of which were completed prior to the time Explo began its operations at Line S. See *Site Investigation Report for the Preliminary Groundwater Site Investigations at Eight Load/Assemble/Pack Lines and Three Test Areas*, Final Report, August, 1999 (SI Report). See also, *Follow-On Remedial Investigation for Soils and The Site-Wide Ground Water Operable Unit*, Vol. I, September, 2005 (RI Report).

Line S was constructed in 1944 and was in operation until May, 1996. SI Report, p. 2-17. During these years, RDX, Composition A-5, TNT, Composition B, and Propellant M-10 were used or present at Line S. *Id.*, p. 2-18. Between 1988 and August, 1999, over 3,500 gallons of red water was documented to have been spilled at Line S. *Id.*

The soil and subsurface soil at Line S are heavily contaminated, and were prior to 2006. Explosives, such as RDX and TNT, VOCs, SVCs, and metals, such as lead, were documented. RI Report, pp. 67 – 71. The groundwater is also heavily contaminated. Explosives and metals have been detected. RI Report, pp. 188 – 193.

2. Explo's main process operations at Line S occurred indoors, under roof, and over concrete. There have been no substantial releases of any materials, including any hazardous

substances, during Explo's operations at Line S. To the extent any releases or spills did occur, they were, at worst, *de minimis* and very minor.

Further, there is no current threat of release. No materials are stored outside. In fact, at the time the Information Request was sent (May 10, 2013), no materials were stored outside. All such materials were gone by January, 2013. Any past threat of a release (the existence of which is denied) has been removed. Further, Explo's analysis of the spilt samples taken in April, 2013 by EPA (only metals were analyzed by Explo) establishes that metal results see to be below the LDEQ's RECAP screening standards for industrial uses. See Exhibit A. It should be noted that the RI Report documents that lead was detected in all 46 surface soil samples and all 61 subsurface soil samples taken at Line S during prior investigations. RI Report, p. 70.

Additionally, due to the heavy contamination at Line S from the United States' activities, any possible contamination from an alleged recent release or spill (which is denied) cannot be distinguished from the previously existing contamination caused by the United States.

In particular, the area east of Building 1617 was extensively sampled in 1996 and 1999 and, consistent with Line S as a whole, extensive contamination was found. Explosives, SVOCs, and arsenic were found in surface soils. VOCs and arsenic were found in subsurface soils. RI Report, pp. 67 – 71 and Figures 3.12-2 - 3.12-8. Further, similar results were found in the area of Buildings 1612 and 1613. Finally, the area around Building 1619, which included the steam hoods and both melting processes, was also extensively sampled. Explosives, VOCs, SVOCs, and arsenic were found in surface and subsurface soils. RI Report, pp. 67 – 71 and Figures 3.12-2 - 3.12-8.

3. The Background Information section of the Information Request suggests that Explo has on-site Red or Pink Water, 700 pounds of 'plastic/tar/TNT waste' and 'Tritonal (and/or TNT mixture),' which is also described as the 'Tritonal/TNT mixture.' While these materials are described as 'hazardous materials,' there is also the insinuation that they are also 'waste.'

Explo does have some material (about 57 five-gallon buckets) which, to the best of Explo's information and belief, is not red or pink water. The material was never discarded as it was always processed into explosive material by being added to other TNT-based materials in Bay 5 of Building 1619. Explo has always regarded this material a Wetted TNT, with a shipping classification of UN0209. The 57 buckets are all that is left.

By definition, Tritonal is typically 80% TNT and 20% aluminum. Tritonal was removed from M-117 bombs between 2007 and 2011. Tritonal was sold as a product, as is, or was further processed in Building 1619 into its component parts (TNT and aluminum). The TNT and aluminum were sold as separate products. Around 2009, Explo began the "Crusher Unit" Building 1617 to reduce the size of some of the aluminum into small pieces. In turn, the processed aluminum was sold as a product. At no time was TNT added to Tritonal or is there a 'Tritonal/TNT mixture.' There is some TNT in the aluminum and the material is sometimes referenced as 'aluminized TNT.' However, it is not, and never has been, a waste. It is a valuable commodity, was always treated as such, and has been sold either as produced from the Building 1619 melt process or the Building 1617 crusher process.

The 'asphalt/wax/TNT' mixture is a non-hazardous solid waste. It was generated by the use of steam during the processing of the M-117 and M-84 bombs. The inside of the bombs contain asphalt and paraffin wax. After the explosives are removed, the bomb pieces are steamed to soften the asphalt and wax, which is scrapped off so that the bomb pieces may be certified as 3X scrap. This means that there is no visible sign of explosives.

The asphalt/wax mixture has been characterized by Explo. See 40 CFR 262.11. Due to the method of its generation, it is not listed. The only potentially applicable characteristic is reactivity. However, Explo and its consultant, C-K Associates, Inc., reviewed each of the reactivity criteria and concluded that the material did not display that characteristic. See Exhibit B. As a result, the material has been disposed of in the Webster Parish Landfill, an industrial solid waste landfill which, to the best of Expo's knowledge, information, and belief, meets the requirements as a Subtitle D landfill.

4. Explo may not have all of the documents or records that are responsive to the Information Request requiring the production of documents. Prior to August, 2006, Explo operated at Line E. However, due to a fire that consumed the entirety of Line E, all records and documents were lost. Thus, there are no documents from 2001 to 2006. Additionally, the Louisiana State Police and the Department of Defense seized computers and documents at Line S in 2012 and/or 2013. A list of such documents is attached as Exhibit C. Explo does not have possession of these documents.

SPECIFIC RESPONSE AND OBJECTIONS

Subject to the General Response and Objections noted above, Explo provides the following responses to the twelve questions in Enclosure 3 to the Information Request:

1. Please provide a customer list including company names, addresses and contact person of anyone you have done business with since the company began in 2001.

Response:

Objection. This request is overbroad and beyond the authority and/or scope of CERCLA §104(e). Explo's customers (that is, persons to whom materials were shipped) are not 'covered persons' or 'potentially responsible parties' pursuant to CERCLA §107(a) as they have no relationship to any facility owned or operated by Explo at which 'disposal' may have taken place. There are no records prior to August 2006.

Subject to the objection, the following is a list of most of Explo's customers:

The United States Department of Defense

Address

Contact person

General Dynamics

Accurate

Dyno-Nobel

Alliant/ATK

CCI Speer
Green Tree
Universal Tech Group
ISL
Spurlock
Austin Sales
Austin Powder
Boren Explosives
Brakefield Equipment
Phoenix Mining
Kentucky Powder
Jack's Powder Keg
JB Ag.
Bailey Bark
Recycling Services
Republic Industries
Orica

See also later responses for additional customers that may have inadvertently been left off this list.

2. What did your customers ship to Explo Systems, Inc.? Provide documentation for type of materials, material identification (i.e. product names), manifests, volumes, dates of transport and origination of shipments.

Response:

Objection: The records relating to incoming shipments are voluminous, all of which are not in Explo's possession. Responsive information is being provided in a 'thumb drive.'

Subject to the objection, the following is a list of incoming materials:

155 mm howitzer shells: The United States Department of Defense
M-117 bombs (750 pounds): The United States Department of Defense
M-84 bombs (2,000 pounds): The United States Department of Defense
H-6: Accurate
Composition B: Dyno-Nobel
HLX 107: General Dynamics
LX14 (HMX): General Dynamics
PBX-9: General Dynamics
Smokeless powder: Alliant, CCI Speer
Nitro-cellulose: Green Tree
Ammonium picrate: Universal Tech Group
Tritonal: ISL
Torpex: ISL
Hexatonal: ISL
A5: Explosia
CBU: General Atomics

3. What was the specific procedure for processing the materials received from your customers once Explo Systems Inc. accepted the shipments?

Response:

Explo's Standard Operating Procedures, Nos. 1 – 66, are attached in two discs. The movement of material on-site is tracked using documents which Explo has named 'Travelers.' These records are voluminous. EPA already has in its possession a representative sample of these documents.

If EPA needs additional detail on these processes after reviewing these responses, Explo can provide additional detail. Generally, however, the procedure for each incoming material is set forth below:

155 mm howitzer shells: The United States Department of Defense

The deliverable to Explo was the propellant charge that was used in 155 mm howitzer shells. The actual shells were not received at Explo.

Incoming shipping canisters containing the propellant charges were placed into magazines, then moved, when needed, to Building 1607 for preparation, which consisted mainly of opening the shipping canisters containing the propellant bags. The canisters were moved to Building 1608, where the propellant charge was removed from the canister. The propellant charge is a rayon/cotton bag containing various components, which were separated by hand.

The disposition of the components was as follows:

Propellant Charge Components	Disposition
Shipping canister (PA37A)	Crushed, then to special dumpster, for recycling as scrap metal
M6 Propellant	Removed to bunker for later sale
Black Powder (small bag)	Removed to bunker for later sale
CBI/Igniter (small bag)	Removed to bunker for later sale
Potassium sulfate (small bag)	To optical sorter in Building 1607: The potassium sulfate was placed into bulk sacks for sale. The small bag also contained a lead lining and was handled similarly to the leaded portion of the rayon bag.
½ rayon bag (No lead)*	Into dumpster for disposal at Webster Landfill
½ rayon bag (With lead)*	Buildings 1607 and 1610 for re-sale/lead reclamation. Later, the bags were placed in Buildings 1608 and 1601.
Miscellaneous: -Wood pallet/spacers -Cardboard -Metal strips -Misc. scrap metal	-On flat bed, recycled -Bailed, recycled -Special dumpster, recycled as scrap metal -Special dumpster, recycled as scrap metal

*The rayon bags which contained the full propellant charge contained a thin paper-like lead sheet that covered one half of the bag. The bag was cut into two pieces. The half

without the lead was sent to a dumpster for disposal. The half with the lead was to be recycled.

M-117 bombs (750 pounds): The United States Department of Defense

These bombs were received as such under two separate contracts: Alliant from 2007 - 2008 and General Dynamic from 2009 - 2011.

Alliant - 2007 – 2008:

Incoming shipments were placed into magazines, then moved, when needed, to Building 1629 for receiving and then to Building 1624 for preparation. The preparation primarily consisted of removing the 'butt-plate' cover and the nose plug. The bomb was then moved to Building 1625 where a lathe was used to cut two grooves around the bomb. A press then opened the bomb. The Tritonal was removed from the center portion of the bomb. The Tritonal, along with the bomb pieces, was moved to Building 1619.

The bomb pieces were placed into steam hoods to soften the asphalt/wax that coated the inside of the bomb. The asphalt/wax was scrapped off by hand and placed into boxes for disposal. Condensate would be created in a drum under the steam hoods. Generally, the water would evaporate or be evaporated using a steam coil.

The Tritonal was sent to the upstairs of Building 1619 and melted into TNT and aluminum. The TNT was returned to DOD. The aluminum was placed in bunkers.

The disposition of the components was as follows:

Bomb Components	Disposition
Tail/center/fin pieces	Special dumpster, recycle as scrap metal
Butt plate guard	Special dumpster, recycle as scrap metal
Nose plate (plastic)	Dumpster
Tritonal	To Building 1619 Upstairs Melt
Asphalt/wax	See above description
Steam condensate in drum	Steam coil evaporation; residue back to process
Miscellaneous	As above

General Dynamics – 2009 – 2011:

The process was the same as described above, with two notable differences. As to the condensate created during the steam process, it was placed into a carbon filter drum. The water was re-used in the process. The carbon filter is still at Line S and may still be used. As to the Tritonal, some of the Tritonal was sold as is.

For both contracts, aluminum from the Tritonal was produced from the Building 1619 melt process. Some of the aluminum, which was in the form of bricks, was sold as is. However, some customers sought a smaller sized product. Explo installed a 'crusher unit' in Building 1617 which reduced the size of the aluminum to thumb-sized pieces.

M-84 bombs (2000 pounds): The United States Department of Defense

The process for these bombs was similar to the M-117.

Incoming shipments were placed into magazines, then moved, when needed, to Building 1629 for receiving and then to Building 1624 for preparation. A measuring device was used on these bombs to determine the shell thickness. The bombs contained H-6, which could not be processed in the Building 1619 upstairs melt. Explo installed a melt process in Bay 5 of Building 1619. The H-6 was solid as is or melted and sold.

The disposition of the components was as follows:

Bomb Components	Disposition
Tail/centers (2)/fin pieces	Same as M-117
Butt plate guard	Same as M-117
Nose plate (plastic)	Same as M-117
H6	Sold as lump, or 1619 Bay 5 melter
Asphalt/wax	Same as M-117
Steam condensate in drum	Same as M-117 (steam coils only)
Miscellaneous	As above

H-6: Accurate

H-6 from Accurate Energetics was received and melted in the Bay 5 melter in Building 1619. After processing, it was sent back to Accurate.

Composition B: Dyno-Nobel

Composition B from Dyno-Nobel was received and melted in the Bay 5 melter in Building 1619. After processing, it was sent back to Dyno-Nobel.

HLX 107, LX14 (HMX)

Smokeless powder: Alliant, CCI Speer

Torpex: ISL

These materials were received, stored in magazines, and sold. No processing occurred.

PBX-9: General Dynamics

PBX- 9 was a total of 130 pounds (one drum). The material was blended with Torpex through Bay 5 and was sold to Austin Powder Company.

Nitro-cellulose: Green Tree

This material was received and stored in magazines. No processing occurred. Years ago, some of the material was burned pursuant to LDEQ approval.

Ammonium picrate: Universal Tech Group

A small amount of this material (135 pounds) was purchased from Universal Tech Group as a product to mix with water for testing in the Super-Critical Water Unit. The test was sanctioned by LDEQ.

Tritonal: ISL – This material was processed if necessary or sold to Dyno-Nobel, Austin, and/or Orica.

Hexatonal: ISL – Sold to Dyno-Nobel, Austin, and/or Orica.

A5: Explosia: – Sold to Dyno-Nobel, Austin, and/or Orica.

Cluster Bomb Unit (CBU): General Atomics

The CBU was separated into its 92 sub-units and each sub-unit was placed into nitrogen to freeze. Then, the sub-units were placed into a press to pulverize the unit. We then took the units and burned the entire unit to include the canister, detonators, and explosive material (Cyclotol).

4. What was the final disposition of the materials once they were accepted by Explo Systems, Inc.?

Response:

See additional information, above.

	Disposition	Customer
Propellant Charge Components		
Shipping canister (PA37A)	Crushed, then to special dumpster, for recycling as scrap metal	Spurlock
M6 Propellant	Removed daily to bunker for later sale	Austin Sales Austin Powder Boren Explosives Brakefield Equipment Phoenix Mining Kentucky Powder
Black Powder (small bag)	Removed daily to bunker for later sale	Jack's Powder Keg
CBI/Igniter (small bag)	Removed daily to bunker for later sale	Jack's Powder Keg
Potassium sulfate (small bag)	To optical sorter in Building 1607: The potassium sulfate was placed into bulk sacks for sale.	JB Ag/International Ag
½ rayon bag (No lead)	Into dumpster for disposal at Webster Landfill	Webster Parish Landfill
½ rayon bag (With lead)	Buildings 1607 and 1610 for re-sale/lead reclamation. Later, the bags were placed in Buildings 1608 and 1601.	Buildings 1608 and 1601
Miscellaneous: -Wood pallet/spacers -Cardboard -Metal strips -Misc. scrap metal	-On flat bed, recycled -Bailed, recycled -Special dumpster, recycled as scrap metal -Special dumpster, recycled as scrap metal	-Bailey Bark -Recycling Services -Spurlock -Spurlock
M-117 Components		
Tail/center/fin pieces	Special dumpster, recycle as scrap metal	Spurlock
Butt plate guard	Special dumpster, recycle as scrap metal	Spurlock
Nose plate (plastic)	Dumpster	Webster Parish Landfill
Tritonal	To Building 1619 Upstairs Melt	TNT – DOD, Orica, Dyno-

		Nobel Aluminum – Orica, Dyno- Nobel Metal – Spurlock
Asphalt/wax		Webster Parish Landfill
Steam condensate in drum	Steam coil evaporation; residue back to process	Residue back to process Carbon filter remains
Miscellaneous	As above	
M-84 Components		
Tail/centers (2)/fin pieces	Same as M-117	As above
Butt plate guard	Same as M-117	As above
Nose plate (plastic)	Same as M-117	As above
H6	Sold as lump, or 1619 Bay 5 melter	Austin Accurate
Asphalt/wax	Same as M-117	As above
Steam condensate in drum	Same as M-117 (steam coils only)	As above
Miscellaneous	As above	As above

H-6 (from Accurate): See above.

Composition B: See above.

HLX 107: Sold to Explosive Services International

LX14 (HMX): Sold to Explosive Services International

PBX-9: Sold to Austin Powder

Tritonal (from ISL): Sold to Dyno-Nobel, Austin, and/or Orica.

Hexatonal (from ISL): Sold to Dyno-Nobel, Austin, and/or Orica.

A5: Sold to Dyno-Nobel, Austin, and/or Orica.

Smokeless powder: Sold to Kentucky Powder, Austin Powder

Torpex: Sold to Dyno-Nobel

Nitro-cellulose: This material is in magazines at Camp Minden.

Ammonium picrate: The ammonium picrate should have been destroyed during the test. Clean(er) water is being held in tanks at Line S.

5. Please provide copies of all contracts or sub-contracts you have with your customers, including the contracts or other agreements with the Department of Defense and General Dynamics that included activities pertaining to materials including but not limited to ammonium picrate, M30 propellant, other propellants, potassium nitrate, nitrocellulose, Tritonal/TNT mixtures and M6 Propellant.

Response:

See Exhibit D.

6. Provide an explanation as to the source of the materials including but not limited to ammonium picrate, M30 propellant, other propellants, potassium nitrate, nitrocellulose, Tritonal/TNT mixtures, such as type of munitions or equipment that contained the materials.

Response:

The requested information is intended to be included in Responses to Nos. 3 and 4. Please advise if additional information is required.

7. What waste was generated as a result of your processes? Where was the waste, stored, shipped, disposed of, etc.?

Response:

The requested information regarding the disposition of materials and customers is intended to be included in Responses to Nos. 3 and 4. Explo also generated materials that were sent to the Webster Parish Landfill. These includes office waste materials, the asphalt/wax mixture as explained above, and materials coming to the Crusher Unit from Storage, such as miscellaneous wood and metal pieces, that were visually observed (3X) to not be contaminated with explosive dust or pieces but which could not be recycled for various reasons. Explo also sent to the Arkansas Waste solid waste landfill in Smackover, Arkansas pink bags (i.e., anti-static bags that Explo had previously placed on the material) and materials coming to the Crusher Unit from storage, such as miscellaneous wood and metal pieces, that were visually observed to be contaminated with explosive dust or pieces. Please advise if additional information is required.

8. Provide a copy of the certificates of approval and any licenses provided by the ATF.

Response:

See Exhibit E.

9. Please provide a copy of the current lease agreement between Explo Systems Inc., and the Louisiana National Guard.

Response:

See Exhibit F.

10. Provide all insurance policies which Explo Systems has/had which would cover environmental liability.

Response:

Objection. This is beyond the statutory authority of CERCLA §114. Subject to the objection, see Exhibit G.

11. Provide a detailed explanation of how the materials including but not limited to ammonium picrate, M30 propellant, other propellants, potassium nitrate, nitrocellulose, Tritonal/TNT mixtures came to be located on the EXPLO Systems business property. Who generated the materials including but not limited to ammonium picrate, M30 propellant, other propellants, potassium nitrate, nitrocellulose, Tritonal/TNT mixtures? Who shipped/transported the materials to EXPLO? Who paid EXPLO to accept the shipment?

Response:

The requested information is intended to be included in Responses to Nos. 3 and 4. Please advise if additional information is required.

12. Does Explo have a parent company, and who is this company? If so, please provide contact information including personnel name(s), address(s), and phone number(s).

Response:

Explo has no parent company.

Explo Systems, Inc.

By: David Fincher
David Fincher, President

Date: June 24, 2013

List of Documents

Exhibit	Description
A	Analytical Report
B	C-K Associates, Inc. Report
C	List of Documents Seized
D	Contracts and Sub-contracts
E	ATF Licenses
F	Lease Agreement
G	Insurance
	Two discs
	One 'thumb drive'

April 13, 2011

Explo Systems, Inc.
1600 Java Road
Minden, LA 71055
Attn: Ferris Callihan, PE

Re: **Explo Systems, Inc.**
Landfill Disposal of TNT-Contaminated Asphalt
C-K Associates' Project No. 5172R

Dear Mr. Callihan:

In order to dispose of trinitrotoluene (TNT)-contaminated asphalt in a landfill, it must first be determined whether the solid waste is a hazardous waste. Since it does not meet the listing criteria of LAC 4901.B (hazardous waste from non-specific sources), LAC 33:V.4901.C (hazardous waste from specific sources), or LAC 33:V.4901.E-F (commercial chemical products, et.al.), it can be a hazardous waste only if it meets the characteristic criteria of LAC 33:V.4903.

It is our current understanding that the asphalt in question is generated as the result of removing an asphalt lining from the exterior of the certain types of bombs during the demilitarizing process. This asphalt may be contaminated with trace quantities of TNT.

Based on our knowledge of the material, it does not meet the characteristic criteria for ignitability, corrosivity, or toxicity, however, the potential for it to be reactive (D003) should be evaluated.

Explo must use generator knowledge to determine if the asphalt material meets any of the criteria under the definition of reactivity since there is no regulatory test method for determining the reactivity. According to LAC 33:V.4903.D, a solid waste is reactive if it has any of the following properties:

1. *It is normally unstable and readily undergoes violent change without detonating.*
2. *It reacts violently with water.*
3. *It forms potentially explosive mixtures with water.*
4. *When mixed with water, it generates toxic gases, vapors or fumes in a quantity sufficient to present a danger to human health or the environment.*
5. *It is a cyanide or sulfide bearing waste which, when exposed to pH conditions between 2.0 and 12.5, can generate toxic gases, vapors or fumes in a quantity sufficient to present a danger to human health or the environment.*

REGIONAL OFFICES

LAKE CHARLES, LA
PH (337) 439-8699
FAX (337) 421-1479

SHREVEPORT, LA
PH (318) 797-8636
FAX (318) 798-0478

HOUSTON, TX
PH (281) 397-9016
FAX (281) 397-6637

6. *It is capable of detonation or explosive reaction if it is subjected to a strong initiating source or if heated under confinement.*
7. *It is readily capable of detonation or explosive decomposition or reaction at standard temperature and pressure.*
8. *It is a forbidden explosive as defined in LDPS Regulation LAC 33:V.Subpart 2.Chapter 101, or a Class A explosive as defined in LDPS Regulation LAC 33:V.Subpart 2.Chapter 101 or a Class B explosive as defined in LDPS Regulation LAC 33:V.Subpart 2.Chapter 101.*

LAC 33:V.4903.D.8 refers to "forbidden explosives" and "Class A" or "Class B explosives" as defined in the LDPS regulations. These terms are defined in the Department of Transportation (DOT) regulations (49 CFR 173.53&54) which are referenced in the LDPS regulations at LAC 33:V.Subpart 2.Chapter 101. Class A or Class B explosives are old hazard class names which were in effect prior to January 1, 1991. They are now classed as Division 1.2 or 1.3.

In any case, in order for a material to be a forbidden explosive, Division 1.2 or Division 1.3 explosive, it must first meet the DOT definition of explosive which is defined at 40 CFR 173.50(a) as "any substance or article, including a device, which is designed to function by explosion (*i.e.*, an extremely rapid release of gas and heat) or which, by chemical reaction within itself, is able to function in a similar manner even if not designed to function by explosion, unless the substance or article is otherwise classed under the provisions of this subchapter..."

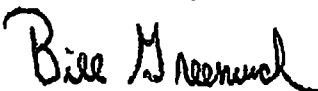
Therefore, if the asphalt material is not capable of an extremely rapid release of gas and heat, then it would not meet the DOT definition of explosive nor would it meet the LAC 33:V.4903.D.8 definition of reactive hazardous waste.

It is our understanding that the material would not meet the above criteria and therefore would be classified as a non-hazardous solid waste. As such, it can be disposed of in an industrial solid waste landfill or a solid waste landfill if it meets the individual landfill acceptance criteria.

This classification of the asphalt in question is based upon the description of the process generating the waste as described by Explo. However, Explo will ultimately have to make this determination based on its knowledge of the material.

Should you have any questions or comments, please do not hesitate to contact me at (225) 755-1000 or by cell phone at (225) 252-6539.

Very truly yours,
C-K Associates, LLC



Bill Greenwich
Sr. Project Manager



DEPARTMENT OF THE TREASURY - BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

LICENSE/PERMIT (18 U.S.C. CHAPTER 40, EXPLOSIVES)

In accordance with the provisions of Title XI, Organized Crime Control Act of 1970, and the regulations issued thereunder (27 CFR Part 555) you may engage in the activity specified in this license/permit within the limitations of Chapter 40, Title 18, United States Code and the regulations issued thereunder, until the expiration date shown. See "WARNING" and "NOTICES" on back.

DIRECT ATF
CORRESPONDENCE
TO

Christopher R. Reeves
Chief, Federal Explosives Licensing Center (FELC)
Bureau of Alcohol, Tobacco, Firearms and Explosives
244 Needy Road
Martinsburg, West Virginia 25405
Telephone: 1-877-263-3353 Fax: 1-800-815-4401

DELETED
PART
NUMBER
877
EXPIRATION
DATE

5-LA-119-20-4A-00057

January 1, 2014

NAME

EXPLO SYSTEMS INC

Premises Address (CHANGES? You must notify the FELC at least 10 days before the change.)

1600 JAVA RD

MINDEN, PA 15865

TYPE OF LICENSE OR PERMIT

20-MANUFACTURER OF HIGH EXPLOSIVES

CHIEF, FEDERAL EXPLOSIVES LICENSING CENTER (FELC)

Christopher R. Reeves
Christopher R. Reeves

PURCHASING CERTIFICATION

I certify that this is a true copy of a license/permit issued to me to engage in the activity specified.

Mailing Address (CHANGES? You must notify the FELC at least 10 days before the change.)

EXPLO SYSTEMS INC

1600 JAVA RD

MINDEN, PA 15865

(SIGNATURE OF LICENSEE/PERMITTEE)

The licensee/permittee named herein shall use a reproduction of this license/permit to assist a transferor of explosives to verify the identity and status of the licensee/permittee as provided in 27 CFR Part 555. The signature on each reproduction must be an ORIGINAL signature.



DEPARTMENT OF THE TREASURY - BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

LICENSE/PERMIT (18 U.S.C. CHAPTER 40, EXPLOSIVES)

In accordance with the provisions of Title XI, Organized Crime Control Act of 1970, and the regulations issued thereunder (27 CFR Part 555) you may engage in the activity specified in this license/permit within the limitations of Chapter 40, Title 18, United States Code and the regulations issued thereunder, until the expiration date shown. See "WARNING" and "NOTICES" on back.

DIRECT ATF
CORRESPONDENCE
TO

Christopher R. Reeves
Chief, Federal Explosives Licensing Center (FELC)
Bureau of Alcohol, Tobacco, Firearms and Explosives
244 Needy Road
Martinsburg, West Virginia 25405
Telephone: 1-877-263-2062, Fax: 1-800-616-4401

TRACES
CASE
NUMBER
EXPIRATION
DATE

5-LA-119-23-4A-00059

January 1, 2014

NAME

EXPLO SYSTEMS INC

Premises Address CHANGES? You must notify the FELC at least 10 days before the change.

1600 JAV RD
MINDEN, LA 70558

TYPE OF LICENSE OR PERMIT

23-IMPORTER OF HIGH EXPLOSIVES

CHIEF, FEDERAL EXPLOSIVES LICENSING CENTER (FELC)

Christopher R. Reeves
Christopher R. Reeves

PURCHASING CERTIFICATION

I certify that this is a true copy of a license/permit issued to me to engage in the activity specified.

Mailing Address CHANGES? You must notify the FELC at least 10 days before the change.

EXPLO SYSTEMS INC
1600 JAV RD
MINDEN, LA 70558

(SIGNATURE OF LICENSEE/PERMITTEE)

The licensee/permittee named herein shall use a reproduction of this license/permit to assist a transferor of explosives to verify the identity and status of the licensee/permittee as provided in 27 CFR Part 555. The signature on each reproduction must be an ORIGINAL signature.

TARGET SHEET

SITE NAME: EXPLO SYSTEMS INCORPORATED

CERCLIS I.D.: LAR000072223

TITLE OF DOC.: EXPLO SYSTEMS INCORPORATED RESPONSE TO 104(E) REQUEST
FOR INFORMATION

DATE OF DOC.: 06/24/2013

NO. OF PGS. THIS TARGET SHEET REPLACES: 3

SDMS #: 9421085 **RELATED#:** 686749

CONFIDENTIAL ? ☒ **MISSING PAGES ?** ☐

ALTERN. MEDIA ? ☐ **CROSS REFERENCE ?** ☐

LAB DOCUMENT ? ☐ **LAB NAME:**

ASC./BOX #:

CASE #: **SDG #:**

**THIS TARGET SHEET REPLACES PAGES 17-19
WHICH HAVE BEEN REDACTED UNDER FOIA
EXEMPTION 4 - CONFIDENTIAL BUSINESS**

COMMENTS : INFORMATION



Sherry Laboratories - Pinhook, ENV
2417 W. Pinhook Road
Lafayette, LA 70508-3344
TEL: 337.235.0483 FAX: 337.233.6540
Website: www.sherrylabs.com

June 05, 2013

David Smith
Explo Systems, Inc.
1600 Java Rd.
Minden, LA 71055
TEL: (318) 470-1145
FAX (318) 382-8434

RE: Camp Minden, LA

Order No.: 13051242

Dear David Smith:

Sherry Laboratories Louisiana, LLC received 8 sample(s) on 5/22/2013 for the analyses presented in the following report.

In accordance with your instructions, Sherry Laboratories/Louisiana conducted the analysis shown on the following pages on samples submitted by your company. The results related only to the items tested. Unless otherwise noted, all analyses were conducted using EPA approved methodologies and all test results meet all requirements of TNI. All relevant sampling information is on the attached Chain-of-Custody form.

All soil data, except for 29-B, are on a wet-weight basis unless otherwise indicated in the units field as -dry.

LELAP Certification No.: 01997. A scope of accredited parameters is available upon request. A "#" by the test method or analyte indicates this parameter is outside the scope of accreditation.

Estimated uncertainty is available upon request. This report shall not be reproduced except in full, without the written approval of the laboratory.

If you have any questions regarding these test results, please feel free to call.

Annie Reedy
Assistant Lab Director
2417 W. Pinhook Road
Lafayette, LA 70508-3344



Sherry Laboratories - Pinhook, ENV
2417 W. Pinhook Road
Lafayette, LA 70508-3344
TEL: 337.235.0483 FAX: 337.233.6540
Website: www.sherrylabs.com

Case Narrative

WO#: 13051242
Date: 6/5/2013

CLIENT: Explo Systems, Inc.
Project: Camp Minden, LA

Unless specified by the client, a duplicate or MS/MSD, wherever applicable, is randomly selected and analyzed from each analytical batch provided sample volume is sufficient. The sample chosen for duplicate or MS/MSD may or may not be a sample submitted in this workorder. A method blank and/or a lab control sample (LCS)/lab control sample duplicate (LCSD), wherever applicable, are processed as a quality control check for each analytical batch. When the matrix QC data is not available due to insufficient sample volume or when the results indicate possible matrix effect, the validity of the batch is determined by the method blank and LCS/LCSD.

Any other exceptions associated with this report will be footnoted in the results page(s) or the QC summary page(s).



Sherry Laboratories - Pinhook, ENV
2417 W. Pinhook Road
Lafayette, LA 70508-3344
TEL: 337.235.0483 FAX: 337.233.6546
Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
Project: Camp Minden, LA
Lab ID: 13051242-001
Client Sample ID: SS-01
Sample Location:

Collection Date: 4/17/2013 10:40:00 AM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							Analyst: SXM
Mercury	< 0.10	0.10	H	mg/Kg	1		5/24/2013 1:04:35 PM
MERCURY, TCLP LEACHED							
							Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:20:40 PM
METALS IN SOIL OR SLUDGE BY ICP							
							Analyst: STS
Arsenic	2.81	0.52		mg/Kg	1		5/29/2013 6:58:16 PM
Barium	104	0.52		mg/Kg	1		5/29/2013 6:58:16 PM
Cadmium	0.26	0.26		mg/Kg	1		5/29/2013 6:58:16 PM
Chromium	6.83	0.52		mg/Kg	1		5/29/2013 6:58:16 PM
Lead	51.5	0.52		mg/Kg	1		5/29/2013 6:58:16 PM
Selenium	< 1.03	1.03		mg/Kg	1		5/29/2013 6:58:16 PM
Silver	< 0.26	0.26		mg/Kg	1		5/29/2013 6:58:16 PM
ICP METALS, TCLP LEACHED							
							Analyst: STS
Arsenic	0.012	0.010		mg/L	1	5	5/29/2013 3:14:04 PM
Barium	2.22	0.010		mg/L	1	100	5/29/2013 3:14:04 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:14:04 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:14:04 PM
Lead	0.042	0.010		mg/L	1	5	5/29/2013 3:14:04 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:14:04 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:14:04 PM

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- C Value is below Minimum Compound Limit.
- H Holding times for preparation or analysis exceeded
- N Tentatively identified compounds
- P Second column confirmation exceeds

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- M Matrix Interference
- ND Not Detected at the Reporting Limit
- PL Permit Limit



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Lafayette, LA 70508-3344
TEL: 337.235.0483 FAX: 337.233.6546
Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
Project: Camp Minden, LA
Lab ID: 13051242-002
Client Sample ID: SS-02
Sample Location:

Collection Date: 4/17/2013 11:15:00 AM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							Analyst: SXM
Mercury	< 0.10	0.10	H	mg/Kg	1		5/24/2013 1:12:26 PM
MERCURY, TCLP LEACHED							Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:23:07 PM
METALS IN SOIL OR SLUDGE BY ICP							Analyst: STS
Arsenic	1.46	0.53		mg/Kg	1		5/29/2013 7:01:52 PM
Barium	39.5	0.53		mg/Kg	1		5/29/2013 7:01:52 PM
Cadmium	0.57	0.27		mg/Kg	1		5/29/2013 7:01:52 PM
Chromium	14.3	0.53		mg/Kg	1		5/29/2013 7:01:52 PM
Lead	74.5	0.53		mg/Kg	1		5/29/2013 7:01:52 PM
Selenium	< 1.06	1.06		mg/Kg	1		5/29/2013 7:01:52 PM
Silver	< 0.27	0.27		mg/Kg	1		5/29/2013 7:01:52 PM
ICP METALS, TCLP LEACHED							Analyst: STS
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:17:50 PM
Barium	0.818	0.010		mg/L	1	100	5/29/2013 3:17:50 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:17:50 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:17:50 PM
Lead	0.059	0.010		mg/L	1	5	5/29/2013 3:17:50 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:17:50 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:17:50 PM

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- C Value is below Minimum Compound Limit.
- H Holding times for preparation or analysis exceeded
- N Tentatively identified compounds
- P Second column confirmation exceeds

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- M Matrix Interference
- ND Not Detected at the Reporting Limit
- PL Permit Limit



Sherry Laboratories - Pinhook, ENY
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 TEL: 337.235.0483 FAX: 337.233.6546
 Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
 Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.

Collection Date: 4/17/2013 2:15:00 PM

Project: Camp Minden, LA

Lab ID: 13051242-003

Matrix: SOIL

Client Sample ID: SS-03

Sample Location:

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							Analyst: SXM
Mercury	< 0.10	0.10	H	mg/Kg	1		5/24/2013 1:20:02 PM
MERCURY, TCLP LEACHED							
							Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:25:34 PM
METALS IN SOIL OR SLUDGE BY ICP							
							Analyst: STS
Arsenic	4.21	0.53		mg/Kg	1		5/29/2013 7:05:30 PM
Barium	512	0.53		mg/Kg	1		5/29/2013 7:05:30 PM
Cadmium	0.81	0.27		mg/Kg	1		5/29/2013 7:05:30 PM
Chromium	7.21	0.53		mg/Kg	1		5/29/2013 7:05:30 PM
Lead	37.5	0.53		mg/Kg	1		5/29/2013 7:05:30 PM
Selenium	< 1.08	1.06		mg/Kg	1		5/29/2013 7:05:30 PM
Silver	< 0.27	0.27		mg/Kg	1		5/29/2013 7:05:30 PM
ICP METALS, TCLP LEACHED							
							Analyst: STS
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:21:09 PM
Barium	2.90	0.010		mg/L	1	100	5/29/2013 3:21:09 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:21:09 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:21:09 PM
Lead	< 0.010	0.010		mg/L	1	5	5/29/2013 3:21:09 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:21:09 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:21:09 PM

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
	C Value is below Minimum Compound Limit.	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Interference
	N Tentatively identified compounds	ND Not Detected at the Reporting Limit
	P Second column confirmation exceeds	PL Permit Limit



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Analytical Report

WO#: 13051242
 Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
 Project: Camp Minden, LA
 Lab ID: 13051242-004
 Client Sample ID: SS-04
 Sample Location:

Collection Date: 4/17/2013 2:45:00 PM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
						SW7471A	Analyst: SXM
Mercury	0.14	0.10	H	mg/Kg	1		5/24/2013 1:22:48 PM
MERCURY, TCLP LEACHED						SW7470A	Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:28:03 PM
METALS IN SOIL OR SLUDGE BY ICP						SW6010B	Analyst: STS
Arsenic	1.87	0.50		mg/Kg	1		5/29/2013 7:08:57 PM
Barium	32.8	0.50		mg/Kg	1		5/29/2013 7:08:57 PM
Cadmium	< 0.25	0.25		mg/Kg	1		5/29/2013 7:08:57 PM
Chromium	7.37	0.50		mg/Kg	1		5/29/2013 7:08:57 PM
Lead	20.7	0.50		mg/Kg	1		5/29/2013 7:08:57 PM
Selenium	< 1.01	1.01		mg/Kg	1		5/29/2013 7:08:57 PM
Silver	< 0.25	0.25		mg/Kg	1		5/29/2013 7:08:57 PM
ICP METALS, TCLP LEACHED						SW6010B	Analyst: STS
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:24:31 PM
Barium	0.911	0.010		mg/L	1	100	5/29/2013 3:24:31 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:24:31 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:24:31 PM
Lead	0.094	0.010		mg/L	1	5	5/29/2013 3:24:31 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:24:31 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:24:31 PM

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
	C Value is below Minimum Compound Limit.	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Interference
	N Tentatively identified compounds	ND Not Detected at the Reporting Limit
	P Second column confirmation exceeds	PL Permit Limit



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TEL: 337.235.0483 FAX: 337.233.6546
Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
Project: Camp Minden, LA
Lab ID: 13051242-005
Client Sample ID: SS-05
Sample Location:

Collection Date: 4/17/2013 3:00:00 PM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							SW7471A SW7471A Analyst: SXM
Mercury	7.08	0.98	H	mg/Kg	10		5/24/2013 4:39:18 PM
MERCURY, TCLP LEACHED							
							SW7470A Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/28/2013 4:30:30 PM
METALS IN SOIL OR SLUDGE BY ICP							
							SW6010B SW3050B Analyst: STS
Arsenic	2.27	0.51		mg/Kg	1		5/29/2013 7:12:16 PM
Barium	124	0.51		mg/Kg	1		5/29/2013 7:12:16 PM
Cadmium	2.50	0.25		mg/Kg	1		5/29/2013 7:12:16 PM
Chromium	30.4	0.51		mg/Kg	1		5/29/2013 7:12:16 PM
Lead	462	0.51		mg/Kg	1		5/29/2013 7:12:16 PM
Selenium	< 1.02	1.02		mg/Kg	1		5/29/2013 7:12:16 PM
Silver	< 0.25	0.25		mg/Kg	1		5/29/2013 7:12:16 PM
ICP METALS, TCLP LEACHED							
							SW6010B Analyst: STS
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:28:17 PM
Barium	1.57	0.010		mg/L	1	100	5/29/2013 3:28:17 PM
Cadmium	0.045	0.005		mg/L	1	1	5/29/2013 3:28:17 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:28:17 PM
Lead	1.57	0.010		mg/L	1	5	5/29/2013 3:28:17 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:28:17 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:28:17 PM

Qualifiers:	• Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
	C Value is below Minimum Compound Limit.	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Interference
	N Tentatively identified compounds	ND Not Detected at the Reporting Limit
	P Second column confirmation exceeds	PL Permit Limit



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 Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
 Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
 Project: Camp Minden, LA
 Lab ID: 13051242-006
 Client Sample ID: SS-06
 Sample Location:

Collection Date: 4/18/2013 9:25:00 AM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							Analyst: SXM
Mercury	< 0.10	0.10	H	mg/Kg	1		5/24/2013 1:28:18 PM
MERCURY, TCLP LEACHED							
							Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:32:56 PM
METALS IN SOIL OR SLUDGE BY ICP							
							Analyst: STS
Arsenic	5.57	0.50		mg/Kg	1		5/29/2013 7:22:57 PM
Barium	112	0.50		mg/Kg	1		5/29/2013 7:22:57 PM
Cadmium	< 0.25	0.25		mg/Kg	1		5/29/2013 7:22:57 PM
Chromium	13.5	0.50		mg/Kg	1		5/29/2013 7:22:57 PM
Lead	7.50	0.50		mg/Kg	1		5/29/2013 7:22:57 PM
Selenium	< 1.01	1.01		mg/Kg	1		5/29/2013 7:22:57 PM
Silver	< 0.25	0.25		mg/Kg	1		5/29/2013 7:22:57 PM
ICP METALS, TCLP LEACHED							
							Analyst: STS
Arsenic	0.014	0.010		mg/L	1	5	5/29/2013 3:41:19 PM
Barium	1.78	0.010		mg/L	1	100	5/29/2013 3:41:19 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:41:19 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:41:19 PM
Lead	< 0.010	0.010		mg/L	1	5	5/29/2013 3:41:19 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:41:19 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:41:19 PM

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- C Value is below Minimum Compound Limit.
- H Holding times for preparation or analysis exceeded
- N Tentatively identified compounds
- P Second column confirmation exceeds

- B Analyte detected in the associated Method Blank
- E Value above quantization range
- M Matrix Interference
- ND Not Detected at the Reporting Limit
- PL Permit Limit



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 Website: www.sherrylabs.com

Analytical Report

WO#: 13051242
 Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
 Project: Camp Minden, LA
 Lab ID: 13051242-007
 Client Sample ID: SS-07
 Sample Location:

Collection Date: 4/18/2013 9:35:00 AM

Matrix: SOIL

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY IN SOIL OR SLUDGE							
							SW7471A SW7471A Analyst: SXM
Mercury	< 0.10	0.10	H	mg/Kg	1		5/24/2013 1:30:42 PM
MERCURY, TCLP LEACHED							
							SW7470A Analyst: SXM
Mercury	< 0.0002	0.0002	H	mg/L	1	0.2	5/29/2013 4:35:22 PM
METALS IN SOIL OR SLUDGE BY ICP							
							SW6010B SW3050B Analyst: STS
Arsenic	0.80	0.52		mg/Kg	1		5/29/2013 7:26:22 PM
Barium	25.3	0.52		mg/Kg	1		5/29/2013 7:26:22 PM
Cadmium	< 0.26	0.26		mg/Kg	1		5/29/2013 7:26:22 PM
Chromium	2.09	0.52		mg/Kg	1		5/29/2013 7:26:22 PM
Lead	32.0	0.52		mg/Kg	1		5/29/2013 7:26:22 PM
Selenium	< 1.03	1.03		mg/Kg	1		5/29/2013 7:26:22 PM
Silver	< 0.26	0.26		mg/Kg	1		5/29/2013 7:26:22 PM
ICP METALS, TCLP LEACHED							
							SW6010B Analyst: STS
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:44:43 PM
Barium	1.34	0.010		mg/L	1	100	5/29/2013 3:44:43 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:44:43 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:44:43 PM
Lead	0.098	0.010		mg/L	1	5	5/29/2013 3:44:43 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:44:43 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:44:43 PM

Qualifiers:	• Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
	C Value is below Minimum Compound Limit.	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Interference
	N Tentatively identified compounds	ND Not Detected at the Reporting Limit
	P Second column confirmation exceeds	PL Permit Limit



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Analytical Report

WO#: 13051242
 Date Reported: 6/5/2013

CLIENT: Explo Systems, Inc.
 Project: Camp Minden, LA
 Lab ID: 13051242-008
 Client Sample ID: WS-01
 Sample Location:

Collection Date: 4/18/2013 10:50:00 AM

Matrix: AQUEOUS

Analyses	Result	RL	Qual	Units	DF	PL	Date Analyzed
MERCURY, TCLP LEACHED		SW7470A				Analyst: SXM	
Mercury	0.0003	0.0002	H	mg/L	1	0.2	5/24/2013 3:20:58 PM
MERCURY IN GROUND WATER, TOTAL		SW7470A				Analyst: SXM	
Mercury	< 0.0002	0.0002	H	mg/L	1		5/29/2013 3:50:50 PM
ICP METALS, TCLP LEACHED		SW6010B				Analyst: STS	
Arsenic	< 0.010	0.010		mg/L	1	5	5/29/2013 3:48:05 PM
Barium	0.285	0.010		mg/L	1	100	5/29/2013 3:48:05 PM
Cadmium	< 0.005	0.005		mg/L	1	1	5/29/2013 3:48:05 PM
Chromium	< 0.010	0.010		mg/L	1	5	5/29/2013 3:48:05 PM
Lead	< 0.010	0.010		mg/L	1	5	5/29/2013 3:48:05 PM
Selenium	< 0.020	0.020		mg/L	1	1	5/29/2013 3:48:05 PM
Silver	< 0.005	0.005		mg/L	1	5	5/29/2013 3:48:05 PM
METALS IN WATER BY ICP, TOTALS		SW6010B				Analyst: STS	
Arsenic	0.012	0.010		mg/L	1		5/31/2013 8:44:55 PM
Barium	0.326	0.010		mg/L	1		5/31/2013 8:44:55 PM
Cadmium	< 0.005	0.005		mg/L	1		5/31/2013 8:44:55 PM
Chromium	< 0.010	0.010		mg/L	1		5/31/2013 8:44:55 PM
Lead	0.028	0.010		mg/L	1		5/31/2013 8:44:55 PM
Selenium	< 0.020	0.020		mg/L	1		5/31/2013 8:44:55 PM
Silver	< 0.005	0.005		mg/L	1		5/31/2013 8:44:55 PM

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
	C Value is below Minimum Compound Limit.	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Interference
	N Tentatively identified compounds	ND Not Detected at the Reporting Limit
	P Second column confirmation exceeds	PL Permit Limit



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

Batch ID: 7507

Sample ID: LCSD-7507	SampType: LCSD	TestCode: HG_S_7471A	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23756						
Client ID: LCSS02	Batch ID: 7507	TestNo: SW7471A	SW7471A	Analysis Date: 5/24/2013	SeqNo: 612588						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.85	0.10	0.83	0	102	80	120	0.88	3.54	20	

Sample ID: 13051242-001AMS	SampType: MS	TestCode: HG_S_7471A	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23756						
Client ID: SS-01	Batch ID: 7507	TestNo: SW7471A	SW7471A	Analysis Date: 5/24/2013	SeqNo: 512588						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.81	0.10	0.80	0	101	75	125				H

Sample ID: 13051242-001AMSD	SampType: MSD	TestCode: HG_S_7471A	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23756						
Client ID: SS-01	Batch ID: 7507	TestNo: SW7471A	SW7471A	Analysis Date: 5/24/2013	SeqNo: 512589						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.84	0.10	0.83	0	102	75	125	0.81	3.67	20	H

Sample ID: MB-7507	SampType: MBLK	TestCode: HG_S_7471A	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23756						
Client ID: PBS	Batch ID: 7507	TestNo: SW7471A	SW7471A	Analysis Date: 5/24/2013	SeqNo: 512617						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	< 0.10	0.10									

Qualifiers:

* Value exceeds Maximum Contaminant Level.
 E Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding time for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit.
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Expro Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7507

Sample ID: LCS-7507	SampType: LCS	TestCode: HG_S_7471A	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23756						
Client ID: LCSS	Batch ID: 7507	TestNo: SW7471A	SW7471A	Analysis Date: 5/24/2013	SeqNo: 612818						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.88	0.10	0.83	0	106	80	120				

Qualifiers:

* Value exceeds Maximum Contaminant Level
 E Value above quantitation range
 MD Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Component Limit
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Expro Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7513

Sample ID: MB-7513	SampType: MBLK	TestCode: 6010_S	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23835						
Client ID: PBS	Batch ID: 7513	TestNo: SW6010B	SW3050B	Analysis Date: 5/29/2013	SeqNo: 514183						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	< 0.50	0.50									
Barium	< 0.50	0.50									
Cadmium	< 0.25	0.25									
Chromium	< 0.50	0.50									
Lead	< 0.50	0.50									
Selenium	< 1.00	1.00									
Silver	< 0.25	0.25									

Sample ID: LCS-7513	SampType: LCS	TestCode: 6010_S	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23835						
Client ID: LCSS	Batch ID: 7513	TestNo: SW6010B	SW3050B	Analysis Date: 5/29/2013	SeqNo: 514184						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	27.8	0.50	25.00	0	111	80	120				
Barium	27.1	0.50	25.00	0	108	80	120				
Cadmium	27.4	0.25	25.00	0	109	80	120				
Chromium	27.0	0.50	25.00	0	108	80	120				
Lead	27.5	0.50	25.00	0	110	80	120				
Selenium	28.1	1.00	25.00	0	112	80	120				
Silver	13.5	0.25	12.50	0	108	80	120				

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank	C Value is below Minimum Compound Limit.
E Value above quantitation range	H Holding time for preparation or analysis exceeded	M Matrix Interference	
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit	
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits	



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QC SUMMARY REPORT

WO#: 13051242
 05-Jan-13

Client: Expro Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7513

Sample ID: LCSD-7513	SampType: LCSD	TestCode: 6010_S	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23835						
Client ID: LCSS02	Batch ID: 7513	TestNo: SW6010B	SW3050B	Analysis Date: 5/29/2013	SeqNo: 514196						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	28.0	0.50	25.00	0	112	80	120	27.85	0.41	20	
Barium	27.3	0.50	25.00	0	109	80	120	27.10	0.81	20	
Cadmium	27.6	0.25	25.00	0	110	80	120	27.36	0.69	20	
Chromium	27.3	0.50	25.00	0	109	80	120	27.02	0.92	20	
Lead	27.8	0.50	25.00	0	111	80	120	27.46	1.12	20	
Selenium	28.2	1.00	25.00	0	113	80	120	28.06	0.60	20	
Silver	13.6	0.25	12.50	0	109	80	120	13.52	0.85	20	

Sample ID: 13051228-012AMS	SampType: MS	TestCode: 6010_S	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23835						
Client ID: ZZZZZ	Batch ID: 7513	TestNo: SW6010B	SW3050B	Analysis Date: 5/29/2013	SeqNo: 514197						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	30.7	0.54	27.02	2.62	104	75	125				
Barium	149	0.54	27.02	121.7	100	75	125				
Cadmium	27.5	0.27	27.02	0.28	101	75	125				
Chromium	37.5	0.54	27.02	10.18	101	75	125				
Lead	38.1	0.54	27.02	11.17	99.5	75	125				
Selenium	24.6	1.08	27.02	0	91.2	75	125				
Silver	11.7	0.27	13.51	0	88.5	75	125				

Qualifiers:

* Value exceeds Maximum Contaminant Level
 G Value above quantitation range
 MD Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7513

Sample ID: 13051228-012AMSD	SampType: MSD	TestCode: 6010_S	Units: mg/Kg	Prep Date: 5/24/2013	RunNo: 23835						
Client ID: ZZZZZ	Batch ID: 7513	TestNo: SW6010B	SW3050B	Analysis Date: 5/29/2013	SeqNo: 514198						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	30.7	0.54	27.02	2.52	104	75	125	30.69	0	20	
Barium	148	0.54	27.02	121.7	96.5	75	125	148.8	0.66	20	
Cadmium	27.2	0.27	27.02	0.26	99.7	75	125	27.51	1.09	20	
Chromium	37.3	0.54	27.02	10.18	100	75	125	37.54	0.58	20	
Lead	37.5	0.54	27.02	11.17	97.8	75	125	38.08	1.36	20	
Selenium	24.3	1.08	27.02	0	89.8	75	125	24.64	1.59	20	
Silver	11.6	0.27	13.51	0	88.0	75	125	11.69	0.56	20	

Qualifiers:

* Value exceeds Maximum Contaminant Level.
 E Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
Project: Camp Minden, LA

BatchID: 7514

Sample ID: MB-7514	SampType: MBLK	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/24/2013	RunNo: 23762						
Client ID: PBW	Batch ID: 7514	TestNo: SW7470A		Analysis Date: 5/24/2013	SeqNo: 512803						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	< 0.0002	0.0002									

Sample ID: LCS-7514	SampType: LCS	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/24/2013	RunNo: 23762						
Client ID: LCSW	Batch ID: 7514	TestNo: SW7470A		Analysis Date: 5/24/2013	SeqNo: 512804						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0094	0.0002	0.0100	0	94.1	80	120				

Sample ID: LCSD-7514	SampType: LCSD	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/24/2013	RunNo: 23762						
Client ID: LCSS02	Batch ID: 7514	TestNo: SW7470A		Analysis Date: 5/24/2013	SeqNo: 512807						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0105	0.0002	0.0100	0	105	80	120	0.0094	10.6	20	

Sample ID: 13051242-008BMS	SampType: MS	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/24/2013	RunNo: 23762						
Client ID: WS-01	Batch ID: 7514	TestNo: SW7470A		Analysis Date: 5/24/2013	SeqNo: 512809						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0110	0.0002	0.0100	0.0003	106	75	125				H

Qualifiers:

• Value exceeds Maximum Contaminant Level	B Analyte detected in the associated Method Blank	C Value is below Minimum Compound Limit
E Value above quantitation range	H Holding times for preparation or analysis exceeded	M Matrix Interference
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7514

Sample ID: 13051242-0088MSD	SampType: MSD	TestCode: HG_TCLP	Units: mg/L	Prep Date: 6/24/2013	RunNo: 23762						
Client ID: WS-01	Batch ID: 7514	TestNo: SW7470A		Analysis Date: 5/24/2013	SeqNo: 512810						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0102	0.0002	0.0100	0.0003	98.8	75	125	0.0110	7.00	20	H

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank	C Value is below Minimum Compound Limit.
F Value above quantitation range	H Holding times for preparation or analysis exceeded	M Matrix Interference	
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit	
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits	



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7528

Sample ID: MB-7528	SampType: MBLK	TestCode: 6010_TCLP	Units: mg/L	Prep Date: 6/28/2013	RunNo: 23827						
Client ID: PBW	Batch ID: 7528	TestNo: SW6010B		Analysis Date: 6/28/2013	SeqNo: 613918						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	< 0.010	0.010									
Barium	< 0.010	0.010									
Cadmium	< 0.005	0.005									
Chromium	< 0.010	0.010									
Lead	< 0.010	0.010									
Selenium	< 0.020	0.020									
Silver	< 0.005	0.005									

Sample ID: LCS-7528	SampType: LCS	TestCode: 6010_TCLP	Units: mg/L	Prep Date: 6/28/2013	RunNo: 23827						
Client ID: LCSW	Batch ID: 7528	TestNo: SW6010B		Analysis Date: 6/29/2013	SeqNo: 613919						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.498	0.010	0.500	0	99.1	80	120				
Barium	0.481	0.010	0.500	0	99.3	80	120				
Cadmium	0.484	0.005	0.500	0	96.8	80	120				
Chromium	0.479	0.010	0.500	0	95.8	80	120				
Lead	0.480	0.010	0.500	0	98.1	80	120				
Selenium	0.494	0.020	0.500	0	98.9	80	120				
Silver	0.240	0.005	0.250	0	95.9	80	120				

Qualifiers:

* Value exceeds Maximum Contaminant Level
 Y Value above quantitation range
 MD Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

Batch ID: 7528

Sample ID: LCSD-7528	SampType: LCSD	TestCode: 6010_TCLP	Units: mg/L	Prep Date: 5/28/2013	RunNo: 23827						
Client ID: LCSS02	Batch ID: 7528	TestNo: SW8010B		Analysis Date: 5/29/2013	SeqNo: 513922						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.478	0.010	0.500	0	95.5	80	120	0.496	3.70	20	
Barium	0.474	0.010	0.500	0	94.9	80	120	0.481	1.44	20	
Cadmium	0.477	0.005	0.500	0	95.4	80	120	0.484	1.48	20	
Chromium	0.471	0.010	0.500	0	94.1	80	120	0.479	1.79	20	
Lead	0.471	0.010	0.500	0	94.2	80	120	0.480	1.95	20	
Selenium	0.480	0.020	0.500	0	96.0	80	120	0.494	3.00	20	
Silver	0.237	0.005	0.250	0	94.8	80	120	0.240	1.13	20	

Sample ID: 13051107-001AMS	SampType: MS	TestCode: 6010_TCLP	Units: mg/L	Prep Date: 5/28/2013	RunNo: 23827						
Client ID: ZZZZZ	Batch ID: 7528	TestNo: SW8010B		Analysis Date: 5/29/2013	SeqNo: 513924						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.528	0.010	0.500	0.011	103	75	125				
Barium	0.865	0.010	0.500	0.400	93.1	75	125				
Cadmium	0.489	0.005	0.500	0.005	96.8	75	125				
Chromium	0.540	0.010	0.500	0.074	93.3	75	125				
Lead	0.473	0.010	0.500	0.017	91.2	75	125				
Selenium	0.525	0.020	0.500	0.014	102	75	125				
Silver	0.257	0.005	0.250	0	103	75	125				

Qualifiers:

* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank.	C Value is below Minimum Compound Limit.
E Value above quantitation range	H Holding times for preparation or analysis exceeded	M Matrix Interference
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7528

Sample ID: 13051107-001AMSD	SampType: MSD	TestCode: 6010_TCLP	Units: mg/L	Prep Date: 5/28/2013	RunNo: 23827						
Client ID: ZZZZZ	Batch ID: 7528	TestNo: SW6010B		Analysis Date: 5/29/2013	SeqNo: 513926						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.518	0.010	0.500	0.011	101	75	125	0.528	1.91	20	
Barium	0.856	0.010	0.500	0.400	91.2	75	125	0.865	1.08	20	
Cadmium	0.490	0.005	0.500	0.006	96.9	75	125	0.489	0.163	20	
Chromium	0.541	0.010	0.500	0.074	93.4	75	125	0.540	0.093	20	
Lead	0.474	0.010	0.500	0.017	91.3	75	125	0.473	0.127	20	
Selenium	0.514	0.020	0.500	0.014	99.9	75	125	0.525	2.18	20	
Silver	0.256	0.005	0.250	0	102	75	125	0.257	0.312	20	

Qualifiers:

* Value exceeds Maximum Concentration Limit.
 B Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit.
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7541

Sample ID: MB-7541	SampType: MBLK	TestCode: HG_W_7470A	Units: mg/L	Prep Date: 6/28/2013	RunNo: 23848						
Client ID: PBW	Batch ID: 7541	TestNo: SW7470A		Analysis Date: 6/28/2013	SeqNo: 514372						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	< 0.0002	0.0002									

Sample ID: LCS-7541	SampType: LCS	TestCode: HG_W_7470A	Units: mg/L	Prep Date: 6/29/2013	RunNo: 23848						
Client ID: LCSW	Batch ID: 7541	TestNo: SW7470A		Analysis Date: 6/29/2013	SeqNo: 514373						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0097	0.0002	0.0100	0	96.8	80	120				

Sample ID: LCSD-7541	SampType: LCSD	TestCode: HG_W_7470A	Units: mg/L	Prep Date: 6/28/2013	RunNo: 23848						
Client ID: LCSS02	Batch ID: 7541	TestNo: SW7470A		Analysis Date: 6/28/2013	SeqNo: 514374						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0098	0.0002	0.0100	0	95.8	80	120	0.0097	1.17	20	

Sample ID: 13051242-008AMS	SampType: MS	TestCode: HG_W_7470A	Units: mg/L	Prep Date: 6/28/2013	RunNo: 23848						
Client ID: WS-01	Batch ID: 7541	TestNo: SW7470A		Analysis Date: 6/28/2013	SeqNo: 514376						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0105	0.0002	0.0100	0	105	75	125				H

Qualifiers:	* Value exceeds Maximum Confirmation Level	H Analyte detected in the associated Method Blank	C Value is below Minimum Compound Limit
E Value above quantitation range	H Holding times for preparation or analysis exceeded	M Matrix Interference	
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit	
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits	



Sherry Laboratories - Pinhook, ENV
 2417 W. Pinhook Road
 Lafayette, LA 70508-3344
 TEL: 337.233.0483 FAX: 337.233.6540
 Website: www.sherrylabs.com

QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7541

Sample ID: 13051242-008AMSD	SampType: MSD	TestCode: HG_W_7470A	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23848						
Client ID: WS-01	Batch ID: 7541	TestNo: SW7470A		Analysis Date: 5/29/2013	SeqNo: 514377						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0108	0.0002	0.0100	0	108	75	125	0.0105	1.77	20	H

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank.	C Value is below Minimum Compound Limit.
E Value above quantitation range.	H Holding times for preparation or analysis exceeded.	M Matrix Interference.	
ND Not Detected at the Reporting Limit.	P Second column confirmation exceeds.	PL Permit Limit.	
R RPD outside accepted recovery limits.	RL Reporting Detection Limit.	S Spike Recovery outside accepted recovery limits.	



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
Project: Camp Minden, LA

BatchID: 7542

Sample ID: MB-7542	SampType: MBLK	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23851						
Client ID: PBW	Batch ID: 7542	TestNo: SW7470A		Analysis Date: 5/29/2013	SeqNo: 514411						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	< 0.0002	0.0002									

Sample ID: LCS-7542	SampType: LCS	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23851						
Client ID: LCSW	Batch ID: 7542	TestNo: SW7470A		Analysis Date: 5/29/2013	SeqNo: 514412						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0107	0.0002	0.0100	0	107	80	120				

Sample ID: LCSD-7542	SampType: LCSD	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23851						
Client ID: LCSS02	Batch ID: 7542	TestNo: SW7470A		Analysis Date: 5/29/2013	SeqNo: 514413						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0101	0.0002	0.0100	0	101	80	120	0.0107	5.40	20	

Sample ID: 13051245-001AMS	SampType: MS	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23851						
Client ID: ZZZZZ	Batch ID: 7542	TestNo: SW7470A		Analysis Date: 5/29/2013	SeqNo: 514417						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0102	0.0002	0.0100	0	102	75	125				

Qualifiers:	* Value exceeds Maximum Contaminant Level	B Analyte detected in the associated Method Blank	C Value is below Minimum Compound Limit
S Value above quantitation range	H Holding times for preparation or analysis exceeded	M Matrix Interference	
ND Not Detected at the Reporting Limit	P Second column confirmation exceeds	PL Permit Limit	
R RPD outside accepted recovery limits	RL Reporting Detection Limit	S Spike Recovery outside accepted recovery limits	



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7542

Sample ID: 13051245-001AMSD	SampType: MSD	TestCode: HG_TCLP	Units: mg/L	Prep Date: 5/29/2013	RunNo: 23881						
Client ID: ZZZZZ	Batch ID: 7542	TestNo: SW7470A		Analysis Date: 6/29/2013	SeqNo: 514418						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Mercury	0.0103	0.0002	0.0100	0	103	75	125	0.0102	0.692	20	

Qualifiers:

* Value exceeds Maximum Contaminant Level.
 E Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second extract confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit.
 M Matrix Interference
 PL Percent Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
Project: Camp Minden, LA

BatchID: 7560

Sample ID: MB-7560	SampType: MBLK	TestCode: 6010_W	Units: mg/L	Prep Date: 6/31/2013	RunNo: 23912						
Client ID: PBW	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 6/31/2013	SeqNo: 616879						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	< 0.010	0.010									
Barium	< 0.010	0.010									
Cadmium	< 0.005	0.005									
Chromium	< 0.010	0.010									
Lead	< 0.010	0.010									
Selenium	< 0.020	0.020									
Silver	< 0.005	0.005									

Sample ID: LCS-7560	SampType: LCS	TestCode: 6010_W	Units: mg/L	Prep Date: 6/31/2013	RunNo: 23912						
Client ID: LCSW	Batch ID: 7660	TestNo: SW6010B		Analysis Date: 6/31/2013	SeqNo: 616880						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.530	0.010	0.500	0	106	80	120				
Barium	0.506	0.010	0.500	0	101	80	120				
Cadmium	0.513	0.005	0.500	0	103	80	120				
Chromium	0.502	0.010	0.500	0	100	80	120				
Lead	0.512	0.010	0.500	0	102	80	120				
Selenium	0.630	0.020	0.500	0	106	80	120				
Silver	0.245	0.005	0.250	0	98.1	80	120				

Qualifiers:

* Value exceeds Maximum Concentration Limit.
E Value above quantitation range
ND Not Detected at the Reporting Limit
R RPD outside accepted recovery limits

H Analyte detected in the associated Method Blank.
H Holding times for preparation or analysis exceeded
P Second column confirmation exceeds
RL Reporting Detection Limit

C Value is below Minimum Compound Limit.
M Matrix Interference
PL Permit Limit
S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jan-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7560

Sample ID: LCSD-7560	SampType: LCSD	TestCode: 6010_W	Units: mg/L	Prep Date: 5/31/2013	RunNo: 23912						
Client ID: LCSS02	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 5/31/2013	SeqNo: 515883						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.520	0.010	0.500	0	104	80	120	0.530	1.98	20	
Barium	0.504	0.010	0.500	0	101	80	120	0.506	0.436	20	
Cadmium	0.511	0.005	0.500	0	102	80	120	0.513	0.469	20	
Chromium	0.499	0.010	0.500	0	99.9	80	120	0.502	0.480	20	
Lead	0.508	0.010	0.500	0	102	80	120	0.512	0.708	20	
Selenium	0.528	0.020	0.500	0	106	80	120	0.530	0.454	20	
Silver	0.248	0.005	0.250	0	99.1	80	120	0.245	1.01	20	

Sample ID: 13051242-008AMS	SampType: MS	TestCode: 6010_W	Units: mg/L	Prep Date: 5/31/2013	RunNo: 23912						
Client ID: WS-01	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 5/31/2013	SeqNo: 515888						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.495	0.010	0.500	0.012	96.7	75	125				
Barium	0.603	0.010	0.500	0.326	95.3	75	125				
Cadmium	0.472	0.005	0.500	0	94.4	75	125				
Chromium	0.488	0.010	0.500	0.010	95.7	75	125				
Lead	0.493	0.010	0.500	0.028	93.0	75	125				
Selenium	0.470	0.020	0.500	0	94.1	75	125				
Silver	0.234	0.005	0.250	0.004	92.1	75	125				

Qualifiers:

* Value exceeds Maximum Concentration Level.
 E Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

D Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second column confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Concentration Limit.
 M Matrix Interference
 PL Pencil Limit
 S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
Project: Camp Minden, LA

BatchID: 7560

Sample ID: 13051242-008AMSD	SampType: MSD	TestCode: 6010_W	Units: mg/L	Prep Date: 5/31/2013	RunNo: 23912						
Client ID: WS-01	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 5/31/2013	SeqNo: 615887						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.493	0.010	0.500	0.012	98.3	75	125	0.495	0.384	20	
Barium	0.803	0.010	0.500	0.326	95.3	75	125	0.803	0.012	20	
Cadmium	0.470	0.005	0.500	0	94.0	75	125	0.472	0.424	20	
Chromium	0.487	0.010	0.500	0.010	95.4	75	125	0.488	0.328	20	
Lead	0.495	0.010	0.500	0.028	93.5	75	125	0.493	0.506	20	
Selenium	0.475	0.020	0.500	0	95.1	75	125	0.470	1.02	20	
Silver	0.231	0.005	0.250	0.004	91.2	75	125	0.234	0.989	20	

Sample ID: 13051512-004BMS	SampType: MS	TestCode: 6010_W	Units: mg/L	Prep Date: 5/31/2013	RunNo: 23912						
Client ID: ZZZZZ	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 5/31/2013	SeqNo: 515898						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.519	0.010	0.500	0.018	100	75	125				
Barium	0.711	0.010	0.500	0.237	94.8	75	125				
Cadmium	0.479	0.005	0.500	0	95.6	75	125				
Chromium	0.479	0.010	0.500	0.005	94.8	75	125				
Lead	0.478	0.010	0.500	0.013	92.8	75	125				
Selenium	0.492	0.020	0.500	0	98.5	75	125				
Silver	0.216	0.005	0.250	0.001	85.9	75	125				

Qualifiers:

* Value exceeds Maximum Contaminant Level.
E Value above quantitation range
ND Not Detected at the Reporting Limit
R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
P Second column confirmation exceeds
RL Reporting Detection Limit

C Value is below Minimum Comparison Limit.
M Matrix Interference
PL Permit Limit
S Spike Recovery outside accepted recovery limits



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QC SUMMARY REPORT

WO#: 13051242

05-Jun-13

Client: Explo Systems, Inc.
 Project: Camp Minden, LA

BatchID: 7560

Sample ID: 13051512-0048MSD	SampType: MSD	TestCode: 6010_W	Units: mg/L	Prep Date: 5/31/2013	RunNo: 23912						
Client ID: ZZZZZZ	Batch ID: 7560	TestNo: SW6010B		Analysis Date: 5/31/2013	SeqNo: 515899						
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Arsenic	0.521	0.010	0.500	0.018	101	75	125	0.519	0.346	20	
Barium	0.717	0.010	0.500	0.237	95.9	75	125	0.711	0.770	20	
Cadmium	0.480	0.005	0.500	0	95.9	75	125	0.479	0.375	20	
Chromium	0.481	0.010	0.500	0.005	85.2	75	125	0.479	0.458	20	
Lead	0.482	0.010	0.500	0.013	93.8	75	125	0.478	0.979	20	
Selenium	0.494	0.020	0.500	0	98.8	75	125	0.482	0.304	20	
Silver	0.231	0.005	0.250	0.001	82.0	75	125	0.216	6.85	20	

Qualifiers:

* Value exceeds Maximum Contaminant Level
 E Value above quantitation range
 ND Not Detected at the Reporting Limit
 R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 P Second volume confirmation exceeds
 RL Reporting Detection Limit

C Value is below Minimum Compound Limit
 M Matrix Interference
 PL Permit Limit
 S Spike Recovery outside accepted recovery limits



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Sample Log-In Check List

Client Name: **EXPLO_SYSTEMS**

Work Order Number: **13051242**

RcptNo: **1**

Logged by: **Heather Delay** **5/22/2013 2:00:00 PM**

Heather Delay

Completed By: **Heather Delay** **5/23/2013 4:40:49 PM**

Heather Delay

Reviewed By: **Karen James** **6/3/2013 2:37:41 PM**

Karen E. James

Chain of Custody

1. Is Chain of Custody complete? Yes ☒ No ☐ Not Present ☐
2. How was the sample delivered? Sherry

Log In

3. Coolers are present? Yes ☒ No ☐ NA ☐
4. Shipping container/cooler in good condition? Yes ☒ No ☐
Custody seals intact on shipping container/cooler? Yes ☐ No ☐ Not Present ☒
No. Seal Date: Signed By:
5. Was an attempt made to cool the samples? Yes ☒ No ☐ NA ☐
6. Were all samples received at a temperature of $>0^{\circ}\text{C}$ to 6.0°C ? Yes ☒ No ☐ NA ☐
7. Sample(s) in proper container(s)? Yes ☒ No ☐
8. Sufficient sample volume for indicated test(s)? Yes ☒ No ☐
9. Are samples (except VOA and ONG) properly preserved? Yes ☐ No ☒
10. Was preservative added to bottles? Yes ☒ No ☐ NA ☐
HNO3:10425-005-005
11. Is the headspace in the VOA vials less than 1/4 inch or 6 mm? Yes ☐ No ☐ No VOA Vials ☒
12. Were any sample containers received broken? Yes ☐ No ☒
13. Does paperwork match bottle labels?
(Note discrepancies on chain of custody) Yes ☒ No ☐
14. Are matrices correctly identified on Chain of Custody? Yes ☒ No ☐
15. Is it clear what analyses were requested? Yes ☒ No ☐
16. Were all holding times able to be met?
(If no, notify customer for authorization.) Yes ☐ No ☒

Special Handling (if applicable)

17. Was client notified of all discrepancies with this order? Yes ☒ No ☐ NA ☐

Person Notified:	<u>John B King</u>	Date:	<u>5/22/2013</u>
By Whom:	<u>Callin Duplantis</u>	Via:	<input checked="" type="checkbox"/> eMail <input type="checkbox"/> Phone <input type="checkbox"/> Fax <input type="checkbox"/> In Person
Regarding:	<u>Hq is outside of hold time</u>		
Client Instructions:	<u>ok to run</u>		

18. Additional remarks:

Added preservative to total metals in water sample.

Cooler Information



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Sample Log-In Check List

Client Name: **EXPLO_SYSTEMS**

Work Order Number: **13051242**

RcptNo: 1

Cooler No.	Temp. °C	Condition	Seal Impact	Seal No.	Seal Date	Signed By
1	2.9	Good	Not Present			

ENVIRONMENTAL PROTECTION AGENCY
OFFICIAL
CHAIN OF CUSTODY RECORD

1305242

PROJ. NO.		PROJECT NAME		CAMP MINDED LA		NO. OF CONTAINERS		REMARKS	
SAMPLERS: (Signature)		(PAUL D. JAMES)							
STA. NO.	DATE	TIME	COMP.	GRAB	STATION LOCATION				
1	4/17/13	10:40		X	SS-01 4034 Road off South End Washed	42	X	(X)	(X)
2	4/17/13	11:15		X	SS-02 Back Room	42	X	(X)	(X)
3	4/17/13	2:55		X	SS-03 Back Room	42	X	(X)	(X)
4	4/17/13	2:45		X	SS-04 Door to Back Room	42	X	(X)	(X)
5	4/17/13	3:00		X	SS-05 Door by Elevator	42	X	(X)	(X)
6	4/17/13			X	SS-06 MS	4	X	(X)	(X)
7	4/17/13			X	SS-07 MSD	4	X	(X)	(X)
8	4/17/13	2:15		X	SS-DUP SS-03	4	X	(X)	(X)
<p>Relinquished by: (Signature) Date / Time Received by: (Signature) Relinquished by: (Signature) Date / Time Received by: (Signature)</p> <p>Relinquished by: (Signature) Date / Time Received by: (Signature) Relinquished by: (Signature) Date / Time Received by: (Signature)</p> <p>Relinquished by: (Signature) Date / Time Received for Laboratory by: (Signature) Date / Time Remarks</p> <p>Shipped by: Airbill Number</p>									

Distribution: White Accompanies Shipment; Pink to Coordinator Field File;
 Green to Report; Yellow Returns with Warrant

5/2/13 1400
 29

TAG No: 304400, 304401, 304406, 304407
 TAG No: 304408, 304409, 304411, 304410
 TAG No: 304408, 304414, 304415, 304409
 TAG No: 304413, 304412, 304417, 304418
 TAG No: 304422, 304423, 304417, 304416
 MATRIX SPIKE
 MATRIX SPIKE ENDURANCE
 TAG No: 304430, 304431, 304432, 304433
 5/2/13

(X) = HOLD
 HOLD ON TELP ABN & TOLP METALS
 ② RUN ON METALS INCLUDE Hg.

Boobay

29

6-08258

EXPLO SYSTEMS, INC., WARRANT INVENTORY - 1600 Java Road, Minden, LA

Log #	Item #	Submitting Agent	Description	Location Seized From
0001-13	A	SA Jason Reich	6 Binders - Explo SQR/Safety Plan/Propellant Production TNT	S-Line Bldg. 1 - Rm C-#1 Bookcase
0001-13	B	SA Jason Reich	6 Binders - GD 2010, M117, GD Corr., GD Docs, GD NAMSIA, RFP, TNT COD	S-Line Bldg. 1 - Rm C-#1 Bookcase
0001-13	C	SA Jason Reich	5 Binders - GD Corr., GD Doc, TNT Lab Data, TNT Conformance, GD Demil Quality Manual	S-Line Bldg. 1 - Rm B-#3 Filing Cabinet
0001-13	D	D.E. Cowart	LFEQ Involvement Folder; 3/12/12 Mng. Review #2 Folder; 7/20/11 ISO 14001 Certification Folder; CAPA System Folders 1-3; Pre-Assessment Audit Folder; JA Folder; 2012 January EMS Manual; 2011 Environmental Policy Poster	
0001-13	E	SA Jason Reich	6 Binders - GD SDR & COD 2008; MK84 Demil Contract; OD SDR & COD 2009; TNT Lab Data 2007; GD SDR & COD Log 2010	S-Line Bldg. 1 - Rm C-#1 Bookcase
0001-13	F	SA Ryan Lefort	5 Binders - Contracts with General Atomics; General Dynamics; Original Certs of Destruction	S-Line Bldg. 1 - Rm C - #4 Desk
0001-13	G	SA Ryan Lefort	3 Binders - Notice of Deficiencies Response; Competitive Performance Test Plans; Misc. EXPLO Docs Binder; Contract Proposals; EXPLO Systems Policy Manual	S-Line Bldg. 1 - Rm C - #4 Desk
0001-13	H	SA Ryan Lefort	5 Binders, Loose Documents to include, Contract Proposals for General Dynamics; Original Signed Certificates of Destruction; Waste Analysis Plan; E&R 11/22/10 Involvement; Demil Internal Process Steps; SPC Site Proposal; Final Bids	S-Line Bldg. 1 - Rm C - #4 Desk
0001-13	I	D.E. Cowart	Calihan Personal Calendar 2011; 2010 Calendar Pages; Calihan Binder; Calihan Personal Calendar 2012	S-Line Bldg. 1 - Rm B - #1 Desk
0001-13	J	SA Jason Reich	Various Documents, paper, notepads and envelopes	S-Line Bldg. 1 - Rm C - #2 Desk
0001-13	K	SA Ryan Lefort	4 Binders, loose documents to include, 2011, 2012 Production Reports; General Dynamics Ordnance & Tactical Systems Proposal Docs; NAMMO Demil LLC Proposal Docs; Address Book List; Calculations for propelling charges spreadsheet; EXPLO Chemical Laboratory Procedures	S-Line Bldg. 1 - Rm C-#3 Filing Cabinet
0001-13	L	SA Jason Reich	Box of Records Previously Seized by LSP - Prop Charge End Op 1 - Jan 12	S-Line Bldg. 1 - Rm D - #2 Floor
0001-13	M	SA Jason Reich	Various Documents, papers, handwritten notes to include, Notice of Deficiencies; Inocentive Plans; TNT Purchase Orders	S-Line Bldg. 1 - Rm D - #1 Desk
0001-13	N	SA Jason Reich	Notepads, documents, folders containing handwritten notes, daily reports; shot bag simulations	S-Line Bldg. 1 - Room B - #3 Floor
0001-13	O-1	D.E. Cowart	Box 1 of 11 - Documents previously seized by LSP - Prop Charge Trans/Pkts Sept. 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-2	D.E. Cowart	Box 2 of 11 - Documents previously seized by LSP - Prop Charge 18 - Jun - 16 Jul 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-3	D.E. Cowart	Box 3 of 11 - Documents previously seized by LSP - Prop Charge thru 27-31 Aug 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-4	D.E. Cowart	Box 4 of 11 - Documents previously seized by LSP - Prop Charge thru 29-31 Oct 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-5	D.E. Cowart	Box 5 of 11 - Documents previously seized by LSP - Prop Charge 7/18/12 - 7/31/12	S-Line Bldg. 1 - Room B - #2 S. Wall

0001-13	O-6	D.E. Cowart	Box 6 of 11 - Documents previously seized by LSP - Prop Charge 1-26 Oct 12	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-7	D.E. Cowart	Box 7 of 11 - Documents previously seized by LSP - Prop Charge Trace 1-24 Aug 12	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-8	D.E. Cowart	Box 8 of 11 - Documents previously seized by LSP - Prop Charge Apr 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-9	D.E. Cowart	Box 9 of 11 - Documents previously seized by LSP - Prop Charge Feb 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-10	D.E. Cowart	Box 10 of 11 - Documents previously seized by LSP - Prop Charge March 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	O-11	D.E. Cowart	Box 11 of 11 - Documents previously seized by LSP - Prop Charge Opt 1 May 2012	S-Line Bldg. 1 - Room B - #2 S. Wall
0001-13	P	SA Ryan Lefort	Misc. Loose Documents; shipping documents; EXPLO MSDS; 2010 N.A. Free Trade Agreement Cert of Origin to Dyno Nobel, Inc., Memo - Nitrocellulose in Composition, HQ and compatibility w/PETN Atlas Shipping Estimate; Letter to Oliver Manufacturing Co., Inc., 8/4/10; CK Assoc. LLC Response to "h Questions" for EXPLO-Huz. Waste Permit Application	S-Line Bldg. 1 - Room D - #3 Desk
0001-13	Q	SA Ryan Lefort	Misc. Loose Documents; EXPLO General Atomics Report; General Dynamics Ammo Demil and Disposal Plan	S-Line Bldg. 1 - Room D - #3 Desk
0001-13	R	SA Ryan Lefort	Notebook with notes of "Notes of Concern"; EXPLO employee list with telephone numbers	S-Line Bldg. 1 - Room E - #2 Floor
0001-13	S	SA Ryan Lefort	Misc. Loose Documents; Transportation Provider Services contact info; Pallet Mulching System Breakdown Analysis; CK Associates Comprehensive Performance Test for SDIC 1200 4/7/11 Letter from Goss Powder Inc., 5/17/10, charge configuration of specific gravity of Propellant composition and Class B black powder; 10/26/10 Report from UTEC Corp., Xplode computer code; List of company signature (employee positions)	S-Line Bldg. 1 - Room D - #3 Desk
0001-13	T	SA Matt Myles	Binder labeled "EXPLO Environmental Management Systems Manual"; Binder labeled DOD Contractors Safety Manual for Ammunition...; Binder from C-K Associates, LLC, dated 2/22/12 re Hazardous Waste Tank Certifications; Binder "BSI American ISO 14001:2004 Lead Auditor Course; Binder EXPLO Systems - Cpts 3 Modification to RCRA Commercial TSD Permit; CK Associates March 2012; Binder SCWO Batch Records - Lab Results August 2012 - contains HW threshold limits chart; Various documents listed : 1) Republic Services Waste Management Profile, 2) Copy of LA DL for Peter Vlahakis, 3) EXPLO Safety Management Plan, 4) June 2011 EXPLO Waste Minimization Plan with Waste Characteristics and codes; CK Document re Landfill disposal; Letter to Republic Services	S-Line Bldg. 1 - Room B - #4 Desk
0001-13	U	SA Jason Reich	7 Binders containing documents for sale of TNT (Turkey and Czech Republic) RDX (Austin Power)	S-Line Bldg. 1 - Room E - #4 Bookcase
0001-13	V	SA Jason Reich	EUC #85007 - 20 July 12 - Signed by Jim Gratzoff; Buksfield EUC Spreadsheet; Notebooks containing handwritten notes; Binder - 2011 Production; Binder 2012 Production; Various documents in reference to sale of TNT	S-Line Bldg. 1 - Room E - #3 Desk

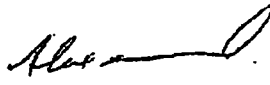
0001-13 W RAC Brett Spierr Sea Mine Anchors related EXPLO Documents; M117 750 #Bomb folder and documents
Email & Letters from EXPLO to Col Remington/Mahon 8/11-9/11; "McAlexander (John Sandy)
documents re H6 S-Line Bldg. 1, Room E - #1 Desk

0001-13 X RAC Brett Spierr Folder labeled "Accidents Arson" with HW label Employee List - 7/3/12 - 1 pg; EXPLO MK100
Torpedo Warhead Demol Documents - 9/21/12; Employee Appraisal - Cliff Morrison 9/27/12 - 1 Pg
Employee Appraisal - Todd Dietrich - 1 pg; Employee Appraisal - Mike Kinn - 1 pg; Danny
Bardish Appraisal - 1 pg; Employee Appraisal - Lionel Koppa - 1 pg; Employee Appraisal -
Lionel Koppa; Employee Appraisal - Tommy Bunge - 1 pg; End User Certificates - Bracketfield
Ruck - 3 S-Line Bldg. 1, Room E - #1 Desk

0001-13 Y RAC Brett Spierr Email from David Smith to Terry Wright - H6 - 5/22/12; SCWO Project Folder S-Line Bldg. 1, Room E - #1 Desk

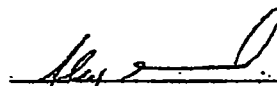
0001-13 Z RAC Brett Spierr EXPLO Response to "Review of our Detail Plan" 9 Jan 2010 - 20pg; (also Inventory Report -
11/21/12 - 6 pages; Employee Conflict List; Letter to EXPLO from LA Military Dept 10/19/12 -
2 pages; Fax Cover to "Smith - 855-442-0980" - 11/27/12 - 1 pg; Email from Linda Mahon to
Terry Wright - 7/10/12 - 2 pages; Email from Lionel Koppa to Terry Wright - 7/9/12 - 1 pg;
Email from Ferris Callahan to Todd Dietrich re HW boy - 2/8/12 - 2 pages; General Dynamics
Detail Plan - 750/2000 1b Bombs - 3/18/11 - 35 pages

0001-13 AA RAC Brett Spierr EXPLO Policies #1 - #14; Letter from EXPLO to U.S. Ecology re: Waste Profiles, 10/12/12 - 13.
pgs.; Purchase Order - Ana Lab JCLP - 7/25/12 - 1 pg; Waste System Spreadsheet; SCWO
Operating Procedure - 1/8/12 - 15 pgs; Bomb Line Startup/Shutdown Procedure - 8/29/08 - 10 pgs;
SCWO EXPLO Handbook - 1 pg; Email from John Heamighan to Terry Wright - 10/12/12 - 1 pg;
MLRS Bld Cost Spreadsheet - 1 pg; Black 2012 personal calendar


ALEX ALVARADO
SPECIAL AGENT
DEPT. OF THE ARMY

EXPLO SYSTEMS, INC., WARRANT INVENTORY - 1600 Java Road, Minden, LA

Log #	Item #	Submitting Agent	Description	Location Seized From
0002-13	A	SA Jason Reich	Unknown Documents, POSSIBLE ATTORNEY CLIENT PRIVILEGE	S-Line Bldg. 1, Room D, 2nd Floor

 SPECIAL AGENT REICH - NEW ORLEANS

EXPLO SYSTEMS, INC., WARRANT INVENTORY - 2900 Java Road, Minden, LA

Log #	Item #	Submitting Agent	Description	Location Seized From
0003-13	A	SA Jason Reich	4 Binders containing SOP Company Policy	Lab, Bldg. 2, Room F, Bookshelf
0003-13	B	SA Ryan Lafort	Production Reports "Bombs"	Lab, Bldg. 2, Room J, West Bench
0003-13	C	SA Ryan Lafort	Production Sheets & Movement Sheets-2012	Lab, Bldg. 2, Room A, West Bench
0003-13	D	SA Jason Reich	Production Reports "Bombs"	Lab, Bldg. 2, Room J, East Wall
0003-13	E	SA Jason Reich	Production Reports "Bombs"	Lab, Bldg. 2, Room J, East Wall
0003-13	F	SA Jason Reich	M6 Lead Sheets - Lot #s	Lab, Bldg. 2, Room A, West Bench
0003-13	G	SA M. Holloway	1) EXPLO Systems - Class List (cost centers and descriptions of classes); 2) Contractor Phone List; (3) Shipping & Receiving dates, products, B/L, lot #'s, ETC End Use.	Lab, Bldg. 2, Room M, Wall
0003-13	H	SA Jason Reich	Production Reports "Bombs"	Lab, Bldg. 2, Room J, East Wall
0003-13	I	SA Ryan Rosser	Black Notebook, Binder - Labeled EXPLO Systems, Master SOP Binder; White Notebook Binder labeled EXPLO Systems, Obsolete SOP Binder; White Notebook Binder labeled EXPLO Systems, Obsolete Document Binder	Lab, Bldg. 2, Room G, Bookshelf
0003-13	J	SA Ryan Rosser	White Notebook Binder, labeled EUC File, contains End Use Certifications for M6 Propellant; Notice of Special Waste Approval, For Asbestos to be landfilled in Webster Parish Landfill; White Notebook Binder labeled DOTINFO, contains DOT Hazmat Violation, EXPLO's Hazmat Procedures, EXPLO Employees Addresses; White Notebook Binder labeled Hazardous Waste Tracking; White Notebook Binder, labeled Repack, contains M119A2 Propellant Production Report; White Notebook Binder labeled Containers Opt. 1 contains Daily Container Crushing Reports	Lab, Bldg. 2, Room M, Bookshelf
0003-13	K	SA Tina Grant	3 Orca Invoices re Tritonal; 3 ATK Energetic Systems re TNT Recycled; 11 Dog's - Ana-Lab Corp - Invoices lab results; 1 blue folder labeled "Allied Waste Services -	Lab, Bldg. 2, Room B, #1 Filing Cabinet

containing agreements, invoices, payments; 1 set Doc's Inc., Receivable Mgt. re: TNT; 1 Blue folder containing Waste Corp. of Arkansas docs; 1 Red Folder containing Webster Parish Landfill docs; 1 blue folder containing SLT Expressway, Inc., Docs; 2 yellow folders containing R&R Trucking documents.

0003-13	L	SA M. Kennedy	Employee Contact #s (home/cell/fax) not distributed to largest number of employees	Lab, Bldg. 2, Room I - Metal Cabinet from info box
0003-13	M	SA M. Kennedy	US Dept of Commerce, Office of Munition Control International Inert Certificate	Lab, Bldg. 2, Room I - Hanging file folder labeled W. Terry Wright
0003-13	N	SA M. Kennedy	Shipment Records including Lot #'s with handwritten notes	Lab, Bldg. 2, Room K, Desk
0003-13	O	SA Tina Grant	3 Grainger doc's (packing list) referencing "Red Water" 1 yellow folder containing Webster Parish Sales & Use Tax info; 1 yellow folder containing interoffice memos	Lab, Bldg. 2, Room B, Desk
0003-13	P	SA M. Holloway	Disposal Certification - Accurate Energetic; Invoices from Allied Waste; Clean Harbors Waste Shipment "var & var" with trace amounts of "TNT dust"; Hughes Recycling "ball paper" recycling in Shreveport Invoices; JBM Fibers Invoices for receipt of scrap cotton for 33,860 lbs; Invoices from Waste Corporation of Arkansas (Non-Hazardous Manifests) - plastic bags, boxes, drums	Lab, Bldg. 2, Room M, #4 Filing Cabinet
0003-13	Q	SA M. Holloway	Two folders containing certificates of destruction; shipping order to General Atomics in San Diego, CA for "simulated waste" dated 1/23/13	Lab, Bldg. 2, Room M, L. Koon's Desk
0003-13	R	SA M. Holloway	EXPLO Systems Profit & Loss 2010	Lab, Bldg. 2, Room L, #1 Filing Cabinet
0003-13	S	SA M. Holloway	EXPLO 10/03/12 Employee List	Lab, Bldg. 2, Room L, #5 Desk
0003-13	T	SA Jason Reich	Binder, EXPLO Sign in Log	Lab, Bldg. 2, Room A, West Bench
0003-13	U	SA M. Holloway	Stack of Non-Hazardous Manifests for WCA (B-Dorado, AR) & Webster Parish Landfill for Plastic Bags/Empty Drums-Boxes and "Asphalt Material"	Lab, Bldg. 2, Room M, Bookshelves
0003-13	V	SA M. Holloway	Non-Hazardous Waste Manifests of "asphalt material" shipped to Webster Parish landfill.	Lab, Bldg. 2, Room M, L. Koon's Desk
0003-13	W	SA Jason Reich	M-6 Storage Logs (Recent)	Lab, Bldg. 2, Room M, #8 Bookshelves

0003-13	X	SA M. Kennedy	EXPLO Systems Purchase Order - PO #EX2313 for 20 - 55 gallon drums of Chemical Waste Management in Sulphur, LA	Lab, Bldg. 2, Room 1, Vertical File (specifically in a file folder labeled "Parking Slips")
0003-13	Y	SA M. Holloway	2010 List of Employees ; 2010 Employees Phone #s	Lab, Bldg. 2, Room 1, #3 Filing Cabinet
0003-13	Z	SA M. Kennedy	2012 Employee Phone List; 2013 Employee List w/duty off details; 01/21/2013 Employee List	Lab, Bldg. 2, Room 1, #3 Desk (Top of Desktop)
0003-13	AA	SA Nicole Bein	Employee training handbook - Chapter 24 & Chapter 15	Lab, Bldg. 2, Room D, #1, East Inset Room
0003-13	BB	SA Nicole Bein	Docs from Box Labeled "Accounts Payable S-Z; Safety Mgmt Services - evaluation of demit explosive AS; Docs from Box Labeled Accounts Payable B-E, claim Harbors Environmental Invoice 2/3/09; Döringer Shipping Invoices bills of lading & delivery verification certificates for "torpex, Tritonal," and other "prepared explosives"	
0003-13	CC	SA M. Kennedy	5 File Folders "Clean Harbors" Documents & Allied Waste Documents "Regional & State Licensing Policy" documents, to include "Waste Tracking Policy" & "Certificate of Demit Policy" all signed by David Fincher "MSDS" documents for "Tritonal" & "Black Powder" "07/28/08 process Walk Through documents includes sign in sheet with gov. employees	Lab, Bldg. 2, Room 1, #7 File Cabinet
0003-13	DD	SA Alex Alvarado	ISO 14001 Kickoff Meeting - Environmental Policy and Requirements Permit Collection; Magazine Licenses 6/29/11; EXPLO System Vendor Phone List 11/1/2009; EXPLO LA Hunters Permit Exam; Email Linked Notes - Management of Maps and Materials Movement 5/8/2009; EXPLO Housekeeping Checklist 4/21/2011; Inventory/Receiving Spreadsheets	Lab, Bldg. 2, Room B, #2 Desk
0013-13	EE	SA Ryan Rosser	Non-Hazardous Waste Manifest #0321356 for Asphalt Material only partially completed; Non-Hazardous Manifest, UCL11611, Waste Corporation of Arkansas - dated 4/4/12; description of waste - plastic bags, empty drums/cans; Non-Hazardous Waste Manifest #0573635 for Weathered Wood; only partially completed; Uniform Hazardous Waste Manifest #005970791 for Non-Hazardous Friable Asbestos & Non-Friable Asbestos, only partially completed; One sheet, labeled Breakfield Equipment, Shipment of 146 Propellant,	Lab, Bldg. 2, Room B, #1 Door Organizer

signed by Lionel Koons. USDOT Shipping label, Non-Hazardous, petroleum oil with steel shavings; Hazardous Waste Manifest #00-4961154, Non-Hazardous, Non DOT Reg (oil), dated 11/7/11; Straight Bill of Lading, Strap metal, dated 6/2/11, paperclipped to an inert certification No. RC11-06-01, dated 6/2/11 signed by Lionel Koons; 12 papers stapled together, top sheet is Commercial Bill of Lading No# W65X220013598.

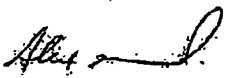
0013-13

FF

SA M. Holloway

Shipping logs with descriptions & journal numbers; notebook with handwritten notes with mentions of sensitive information; EXPLO Systems, Inc., guidelines for Transportation & Storage of explosive materials; Business cards for Hughes Recycling of Superport, LA; printed emails regarding the receiving of pallets & drums for trucking; 8/29/12 Purchase Order for by-product "briquets"; Building downsizing plan - movement strategies for relocating boxes & barrels; Hazardous Waste Sticker, Residue Classification - types of residue - wax, contaminated TNT, etc.; List of items and locations stored dated 1/18/2013; Notebook with handwritten notes detailing SLT coming to take a load to Bradfield's Composition book dated 2010 with product, weights, locations and source; Waste Corporation of Arkansas hauling ticket for 1/24/2013 and "Non-Hazardous Manifest"; Invoice from R&R Trucking, Inc., for transport Milan, Texas; Email correspondence with Dymco Nobel, Inc., regarding "boxes of TNT", Lionel Koons' certifications and permits

Lab, Bldg. 2, Room M, #7 Desk


SPECIAL AGENT
ACTS NEW ORLEANS

EXPLO SYSTEMS, Building 1617, Camp Minden, Minden, LA

Log #	Item #	Submitting Agent	Description	Location Seized From
0004-13	A	SA Alex Alvarado	Cardboard Notebook containing various handwritings, obtained from Bay 10, Furniture #1, Locker Labeled 584, by SA Ryan Roesser, EPA.	Bldg. 1617, Camp Minden, Minden, LA
0004-13	B	SA Alex Alvarado	SCP #30, upper and tail section for removal obtained from Bay 10, Furniture #2 Cabinet By SA Ryan Roesser, EPA	Bldg. 1617, Camp Minden, Minden, LA
0004-13	C	SA Alex Alvarado	Ledger, Containing Various Handwritings, obtained from Bay 1, Furniture #3, Cabinet by SA Ryan Roesser, EPA	Bldg. 1617, Camp Minden, Minden, LA

Alex Alvarado
 ALEX ALVARADO
 SPECIAL AGENT
 DCIS NEW ORLEANS

AMENDMENT NO. 1**To****FACILITY USE AGREEMENT (Effective 1 February 2007)****Between****Louisiana Military Department****And****Explo Systems, Inc.**

This Amendment is entered into this 1 July 2010, by and between the Louisiana Military Department ("Lessor") and Explo Systems, Inc. ("Tenant").

The agreement shall be amended to:

- 1) Include Buildings 1607, 1608 and 1645 in ~~S-line lease~~ for an additional \$5000.00 monthly charge for a period of 1 year ending 30 June 2011. This change reflected in Exhibit A.
- 2) Effective 1 July 2011 Building 1607, 1608 and 1645 will revert to rate charge of \$1.50 per square foot for 95,428 Sq Ft. This change reflected in Exhibit B
- 3) Effective 1 July, 2012 the rent will increase to \$1.82 per sq ft. for the remainder of the lease for Building 1607, 1608 and 1645 and increase leased square footage by 95,428 Sq Ft of the original Primary leased 73,028 square footage located in S-line. This includes utilization of all buildings in S-line by Lessee with no rate increases due to use as primary or secondary structures for the term of the lease effective 2 July 2012. This change is reflected in Exhibit C.
- 4) In consideration for the reduced rental described in Paragraph (1) above and in order to satisfy the unpaid balance of rent owed by Explo for the periods of May to October 2007 and January to May 2008, Explo agrees to employ a minimum of twenty additional employees over and above their original number of employees working on Camp Minden for the remainder of the lease term. The minimum annual salary to include benefits of each employee shall be no less than \$25,000 per year. Compliance of these conditions for unpaid balance of rent will be contingent on continuation of contracted operations by U.S. Government. All other terms of this Agreement remain unchanged.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have caused this lease to be executed by their duly authorized representatives the day and year first written above.

Explo Systems, Inc

Louisiana Military Department

"Tenant"

"Lessor"


By: 

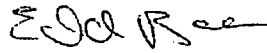
By: 

David Smith

COL (Ret) Lester Schmidt

Vice President


ASST. State Contracting Officer


Edley Boyle 55228

Effective 1 July 10

**EXHIBIT
A
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3					
2401-2443, 2461-2478 2361-2364	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
6. Bldg 1607, 1608, 1645				\$5000.00	\$60,000.00
Total				\$32,479.29	\$389,751.50

Water/sewer Rate = \$3.90/1000
gallons

*Effective 1 July 2011

**EXHIBIT
B
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
2401-2443, 2461-2478 2361-2364					
4. Land for Office				\$500.00	\$6,000.00
5. ARMS <i>per Dec 2011</i>				\$2,387.92	\$28,655.04
6. Bldg 1607, 1608, 1645	95,428	\$1.50	\$0.125	\$11,928.50	\$143,142.00
Total				\$39,407.79	\$472,893.48

Water/sewer Rate = \$3.90/1000
gallons

*Effective 1 July 2012

**EXHIBIT
C
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1607, 1608, 1618, 1619, 1625, 1633, 1645, 1649	168,456	\$1.82	\$0.1517	\$25,554.77	\$306,657.30
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3					
2401-2443, 2461-2478 2361-2364	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
Total				\$41,958.15	\$503,497.84

- 2,387.92
39,570.23

Water/sewer Rate = \$3.90/1000
gallons

**STATE OF LOUISIANA
MILITARY DEPARTMENT
COMMERCIAL LEASE**

**STATE OF LOUISIANA
PARISH OF WEBSTER**

This contract of lease is effective on the 1st day of February, 2007 by and between Explo Systems, Inc., 2900 Java Rd., Minden, LA 71055, by and through its authorized agent, David Fincher ("LESSEE") and the State of Louisiana, Military Department, Camp Beauregard, LA 70136 ("LESSOR"), through its authorized representative, Lester Schmidt. This lease will become binding on LESSOR only after execution by LESSOR and delivery to LESSEE. Deposit of LESSEE's first rental payment into any account of LESSOR does not constitute acceptance of this lease by LESSOR.

AUTHORITY

By virtue of the provisions of La. R.S. 41:1211 to 1221, inclusive, and pursuant to the terms, conditions and considerations hereinafter set forth, LESSOR does hereby lease and let unto LESSEE, without any warranty of title whatsoever, but with full subrogation of all rights thereto, the following described property owned by the State of Louisiana, and situated in the Parish of Webster, to wit:

PROPERTY

A portion of land located at Camp Minden, Louisiana, being more particularly described on Exhibit "A" attached hereto, hereinafter referred to as "the Property."

TERM

This lease is granted for an initial term of ten (10) years, commencing on 1 February, 2007 and ending at 12:00 noon on 31 January, 2017. LESSOR may renew and extend the lease in accordance with the provisions of La. R.S. 41:1217.

PURPOSE

It is understood and agreed that this lease is made and executed by LESSOR to LESSEE for the sole purpose of reprocessing explosive material from demilitarized ordinance on the Property.

RENTAL

1. In consideration of LESSEE remaining in Camp Minden, the need for LESSEE to make repairs and install electrical and plumbing infrastructure onto the property in order to continue operations, LESSOR agrees to waive the provision of La. R.S. 41:1217 (A), which requires that rent be paid on a yearly basis, and accept rent on a monthly basis from LESSEE. The rental payment in the sum of \$27,479.29 per month will be paid

monthly, in advance, and is due on the **first** day of each month during the term of the lease. LESSEE, in lieu of State requirement to pay rent on a yearly basis, shall deposit with LESSOR a security deposit in the amount of one (1) month's base rent on the date this agreement is in force.

2. In the event of late payment and at LESSOR's option, LESSEE may be granted up to an additional thirty (30) days to make payment. During this thirty (30) day period, any late rental payments tendered by LESSEE must include an additional late penalty payment equal to 15% of the monthly lease payment for each late month.
3. LESSOR reserves the right, at LESSOR's sole option, to annually adjust the rental to reflect the percentage of increase or decrease in the cost of living index as established by the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the U.S. Department of Labor or any revision or equivalent to any such index published by the U.S. Government, which has occurred from date of this instrument to the date of adjustment provided however, that in no event shall consideration of such renewal be less than the consideration paid herein for the original term.

REPAIRS AND IMPROVEMENTS

Lessee shall have the right to make, upon execution of this Lease, at LESSEE's expense, any and all repairs to the Property which, in LESSEE's discretion, are necessary and proper in order that LESSEE may occupy and use the Property for the purposes for which LESSEE entered into this lease agreement, which purposes include, but are not limited to, the reprocessing explosive material from demilitarized ordinance. Thereafter LESSEE shall not make any additions, alternations removals or reconstruction of any nature whatsoever to the Property, including improvements, without prior written permission of LESSOR, whose permission shall neither be unreasonably delayed nor denied. Thirty (30) days shall be a reasonable time for the consideration of a request for such permission, and if no response is received within thirty (30) days, approval will be deemed given. Any such improvements shall revert to the ownership of the LESSOR in the event of termination of this lease. LESSEE is required to obtain all permits for such repairs and improvements from local, State and Federal agencies if necessary prior to commencing such work.

CONDITIONS

1. This lease is granted subject to all existing surface leases, mineral leases, servitudes, rights-of-way, permits or any other contracts, whether recorded or unrecorded, affecting the Property.
2. • LESSEE shall comply with all federal, state and local rules, regulations and ordinances for sewer, sanitation, fire, safety, transportation, environmental compliance and any other regulated activities. •

3. LESSEE agrees to use the Property as a good and careful administrator. This includes maintaining the Property in a neat, clean and orderly manner at all times. No hazardous waste materials shall be placed or stored by LESSEE on or under the Property. Underbrush must be cleared from the Property, but no trees over 6" in diameter may be cut on the Property without prior approval of LESSOR. No interior or exterior building maintenance or ground maintenance will be provided by LESSOR on the Property. LESSEE is required to maintain the Property, which includes all rights of ingress and egress, in good and safe condition. The grounds contained within the perimeter fence of S-Line (excluding the area occupied by CenterPoint) will be maintained by LESSEE in such a condition as to preclude the spread of grass fires. LESSEE will be responsible for all normal and routine maintenance or repair to the Property, as well as, any maintenance or repair to the Property or elsewhere on the installation required due to acts or omissions of LESSEE and its employees, agents, contractors, subcontractors, licensees or invitees.
4. • LESSEE agrees to abide by all of the rules, regulations and orders of the Commander, Camp Minden as published from time to time. These regulations include but are not limited to safety, security, credentialing, ingress and egress, environmental compliance, emergency procedures and the like. To the extent required by law or regulation or as required by the Commander, Camp Minden, the Commander, Camp Minden is the approval authority for any and all safety plans, environmental compliance plans or security plans of the LESSEE. In approving or disapproving such plans, the Commander, Camp Minden is acting in his capacity as an Officer of the State's Organized Military Forces as defined by La.R.S. 29:1, et.seq. and is performing a discretionary act as defined by La.R.S. 9:2798.1 and is entitled to indemnification under La.R.S. 29:24.
5. LESSEE agrees to contract with existing utility providers and pay all utilities for its operation on the property. Electricity will be provided to the transformer of primary buildings and metered. Usage will be billed by Camp Minden or the provider, at the direction of LESSOR, at the actual local utility supplier rates. It is the responsibility of the Lessee to install any electric meters if not presently installed. In the event that LESSEE uses electricity provided by Camp Minden and the electrical distribution system is later sold or conveyed to a local electricity supplier, the Lessee agrees to contract directly with said supplier. Lessor shall provide and maintain a sewage and water system for the Property that is adequate to accommodate Lessee's manufacturing operations. Water and sewage system use shall be charged as set forth in Exhibit A. It is the responsibility of the Lessee to install any water meters if not presently installed.
6. Should an agent or attorney be employed to give special attention to the enforcement or protection of any claim of LESSOR arising from this lease, LESSEE shall pay as fees and compensation to such agent or attorney such sum as will constitute a reasonable fee including all court costs, together with all other costs, charges and expenses or reimbursement for actual costs occasioned by LESSOR, at LESSOR's discretion.
7. LESSEE is to provide fire breaks in connecting walkways in eight locations as designated by LESSOR NLT 90 days after effective date of lease.

RESERVATIONS

LESSOR reserves the full use and enjoyment of the Property, both surface and subsurface, for any and all purposes except those particular uses granted hereinabove to LESSEE. LESSOR's reservation includes, but is not limited to, the following rights:

1. LESSOR reserves all rights of whatever nature and kind in and to all minerals on or under the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, drilling, mining, production, development, storage and transportation of all oil, gas, sulphur and other minerals, on or under the Property or any other lands under the control of LESSOR.
2. LESSOR reserves all rights of whatever nature and kind in and to all other surface or subsurface uses of the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, mining, production and development of all sand, gravel or shell deposits; issuance of servitudes and rights-of-way; and issuance of permits and leases.
3. LESSOR reserves all rights of whatever nature and kind in and to all timber and forest products on the Property. These rights include, but are not limited to, rights of access, management and/or removal of timber and forest products.

LESSOR may exercise the rights reserved herein without LESSEE's consent, so long as the exercised rights do not interfere with LESSEE's use of the Property. LESSEE hereby expressly agrees and declares that LESSOR shall not be liable to LESSEE for damages from the exercise of any rights reserved herein, provided, however, that said damage is not caused by the gross negligence or intentional act of LESSOR.

ASSIGNMENT/SUBLEASE

This agreement shall be binding upon LESSOR and LESSEE, their respective successors and assigns. This lease may not be assigned, subleased or otherwise transferred in whole or in part without the prior written permission of LESSOR, provided, however, that such consent shall not be necessary in the event of a transfer of the lease resulting from a corporate merger, consolidation or change of name of LESSEE.

HOLD HARMLESS

LESSEE accepts the Property as is and in its present condition, and LESSOR shall not be responsible for damage of any kind to any person or property on the Property, except if such damage is caused by a third party or by LESSOR's gross negligence or intentional conduct. LESSEE further agrees to indemnify and hold LESSOR harmless against any loss or liability for injury to or death of persons or damage to property of others, including costs and expenses incident thereto, arising from or in connection with LESSEE's use or occupancy of the Property or of any of the rights granted herein. LESSEE will, at LESSOR's request, appear and defend any suit arising from any such loss or liability at its own sole cost and expense and will pay any

judgment that may be entered against LESSOR therein when said suit is finally determined. LESSEE agrees to hold LESSOR harmless from any fines levied by governmental authorities for noncompliance of LESSEE's operations with Local, State or Federal laws.

EXPLOSION OR FIRE

In the event that the LESSEE experiences a fire or explosion on the Property which damages all or part of the property, LESSEE shall be responsible for any and all consequential damages suffered by LESSOR or any third party and LESSEE agrees to indemnify and hold LESSOR harmless for any such consequential damages or injury to third parties including, but not limited to, other tenants of LESSOR at Camp Minden, except to the extent caused by LESSOR, or a third party. LESSEE shall furnish and install such safety devices, such as spark arresters, lightning rods, and static electricity suppressors, as are generally installed in facilities in which the business of manufacturing munitions is conducted. Further, LESSEE shall carry sufficient insurance coverage (\$1,000,000), (proof of which is provided upon execution of this lease) which names LESSOR as loss payee, to remove debris and replace damaged/destroyed property.

INSURANCE

In accordance with the Louisiana Office of Risk Management Insurance Requirements in Contracts (June 2004), LESSEE shall procure and maintain for the duration of the lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's operation and use of the leased premises. The cost of such insurance shall be borne by the LESSEE. LESSOR shall be named as an additional insured.

1. **Minimum Scope of Insurance.** Coverage shall be at least as broad as:
 - a. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
 - b. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana and Employers Liability insurance.
2. **Minimum Limits of Insurance.** LESSEE shall maintain limits no less than:
 - a. **Commercial General Liability:** LESSEE will provide a blanket insurance of \$1,000,000 Commercial General Liability for bodily injury, personal injury and property damage.
 - b. **Workers' Compensation and Employers Liability:** Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage.
 - c. **Property Insurance:** Proof of \$1,000,000 property coverage, including explosion and fire.

3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the LESSOR, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the LESSOR, its officers, officials and employees, or 2) the LESSEE shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
4. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:
 - a. **General Liability**
 - (1) The LESSOR, its officers, officials, employees and volunteers are to be covered as "additional insureds" as respects: liability arising out of the premises owned, occupied or used by the LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to the LESSOR, its officers, officials, employees or volunteers.
 - (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the LESSOR, its officers, officials, employees or volunteers.
 - (3) Coverage shall state that the LESSEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - b. **Workers' Compensation and Employers Liability Coverage.** The insurer shall agree to waive all rights of subrogation against the LESSOR, its officers, officials, employees and volunteers for losses arising from the leased premises.
 - c. **All Coverages.** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the LESSOR.
5. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of **A-VI or higher.** This rating requirement may be waived for workers' compensation coverage only.
6. Verification of Coverage. LESSEE shall furnish LESSOR with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LESSOR before the lease commences. The LESSOR reserves the right to require complete, certified copies of all required insurance policies, at any time.

TERMINATION/CANCELLATION

1. Should LESSEE at any time violate any of the conditions of this lease, file for Bankruptcy protection or discontinue the use of the Property, payments or other expenses assumed under this lease, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, LESSOR shall have the option to immediately cancel this lease without putting LESSEE in default, LESSEE to remain responsible for all damages or losses suffered by LESSOR, LESSEE hereby assenting thereto and expressly waiving the legal notices to vacate the Property.
2. Should LESSEE at any time use the Property or portion thereof for any illegal or unlawful purpose, or should LESSEE permit or tolerate the commission of any act made punishable by fine or imprisonment under the laws of the United States or the State of Louisiana, or any ordinance of the Parish, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, the remedies set forth in the preceding paragraph shall be available to LESSOR immediately without necessity of giving any written notice or any other notice to LESSEE.
3. It is understood and agreed that should it be determined that the Property covered by this lease is required for a public purpose by the State, LESSEE shall be so notified by writing and this lease shall be canceled and terminated and the Property surrendered ninety (90) days from the date of receipt of said notice, provided, however, that in the event that LESSOR shall exercise the option to cancel this lease because of any reason other than just cause, then in such event LESSOR and/or the State of Louisiana shall reimburse LESSEE for all costs and expenses incurred by LESSEE in connection with the repair of the Property as is set forth in the paragraph titled REPAIRS AND IMPROVEMENTS, hereinabove. However, the LESSOR will only reimburse the depreciated value of the repairs and improvements at the time of the cancellation of the lease. LESSEE shall not be required to surrender the Property until the reimbursements described above have been paid to LESSEE in full.
4. LESSEE may surrender this lease at any time, either during the original term or any extension of the original term by giving written notice to LESSOR. If LESSEE had previously recorded this lease in the parish conveyance records, then LESSEE shall file a written release in the parish conveyance records and shall provide LESSOR a certified copy thereof. Surrender of this lease shall not affect any obligations provided herein as to the liability of LESSEE to LESSOR, or any obligation of LESSEE to hold LESSOR harmless for, any claim as specifically set forth herein, but such surrender will serve to terminate this LEASE and all other obligations contained herein as of the date of surrender.
5. Upon termination of this lease, LESSEE will *ipso facto* forfeit any right of recourse against LESSOR for return of all or part of the consideration paid.
6. In the event of cancellation or termination for any reason, LESSEE, or its assigns, hereby agree to remove at their sole risk, cost and expense, any or all constructions or obstacles

placed on the Property during the Lease term, or any extension thereof, except for "permanent improvements" to the Property under La. R.S. 41:1217, and which were existing on the property ("Existing Permanent Improvements"). LESSEE further agrees to restore the Property to its original condition, reasonable wear and tear excepted, as improved by such Existing Permanent Improvements within ninety (90) days of lease termination. Should LESSOR undertake the removal of any or all constructions or obstacles and restoration of the property by reason of LESSEE or its assigns failure or refusal to do so, then LESSEE and its assigns expressly consent and agree to reimburse LESSOR for the full costs incurred for such removal and restoration.

Any Permanent Improvements LESSEE adds after the execution of this lease shall not be treated as an Existing Permanent Improvement unless otherwise agreed by both the LESSOR and LESSEE in writing.

7. Should LESSOR allow or permit LESSEE to remain on the Property after the expiration or termination of this lease, this shall not be construed as reconduction of this lease.

EFFECT OF LAW

The parties to this lease understand and agree that the provisions herein shall, between them, have the effect of law, but in reference to matters not provided herein, this lease shall be governed by the laws of the State of Louisiana.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

STATE OF LOUISIANA
MILITARY DEPARTMENT

David Talbot

By: [Signature]

Rami D. Stucky

Its: STATE CONTRACT-OFFICER

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

[Signature]
Notary Public

Print Name: Eddy M Bogue

Notary/Bar Roll #: 55228

WITNESSES:

Romanda Lee
Neeley Hardaway

EXPLO SYSTEMS, INC.

By: Quil P. L.

Its: PRESIDENT

BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Marlo Jackson
Notary Public
Print Name: Marlo Jackson
Notary/Bar Roll #: #72886 Deputy Clerk of Court

**EXHIBIT A
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary 1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary 1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1639, 1640, 1644, 1646, 1648, 1650, 1652, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3 2401-2443, 2461-2478 2361-2364	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
Total				\$27,479.29	\$329,751.50

Water/sewer Rate = \$3.90/1000 gallons

RIDER FOR THE AGREEMENT DATED 1 FEBRUARY, 2007
BETWEEN
LOUISIANA MILITARY DEPARTMENT
AND
EXPLOSYSTEMS, INC

Lessee shall not be required to furnish or provide to lessor any builder's risk or other property insurance during such time as building and renovation activities are being undertaken by Lessee as required by this lease. Upon completion of such renovation activities, and prior to undertaking manufacturing activities, Lessee shall make its best effort to purchase property insurance insuring against fire and explosion if such insurance is available in the commercial insurance market in an amount which is economically feasible, as appropriate in the custom and trade and considering the totality of the circumstances.. In the event that property insurance in the amount required by the lease is not available pursuant to the foregoing stipulations, then Lessee shall be required to furnish property insurance in a lesser amount which is economically feasible.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

STATE OF LOUISIANA

MILITARY DEPARTMENT

David J. Hall
Ram. D. Stucky

By: [Signature]
Its: STATE CONTRACTING OFF. CO.

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

Eddy J. Bogue
Notary Public
Print Name: Eddy J Bogue
Notary/Bar Roll #: 55228

WITNESSES:

Hammond Lee
Neel Hardaway

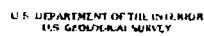
EXPLO SYSTEMS, INC.

By: Paul P. Hill

Its: PRESIDENT

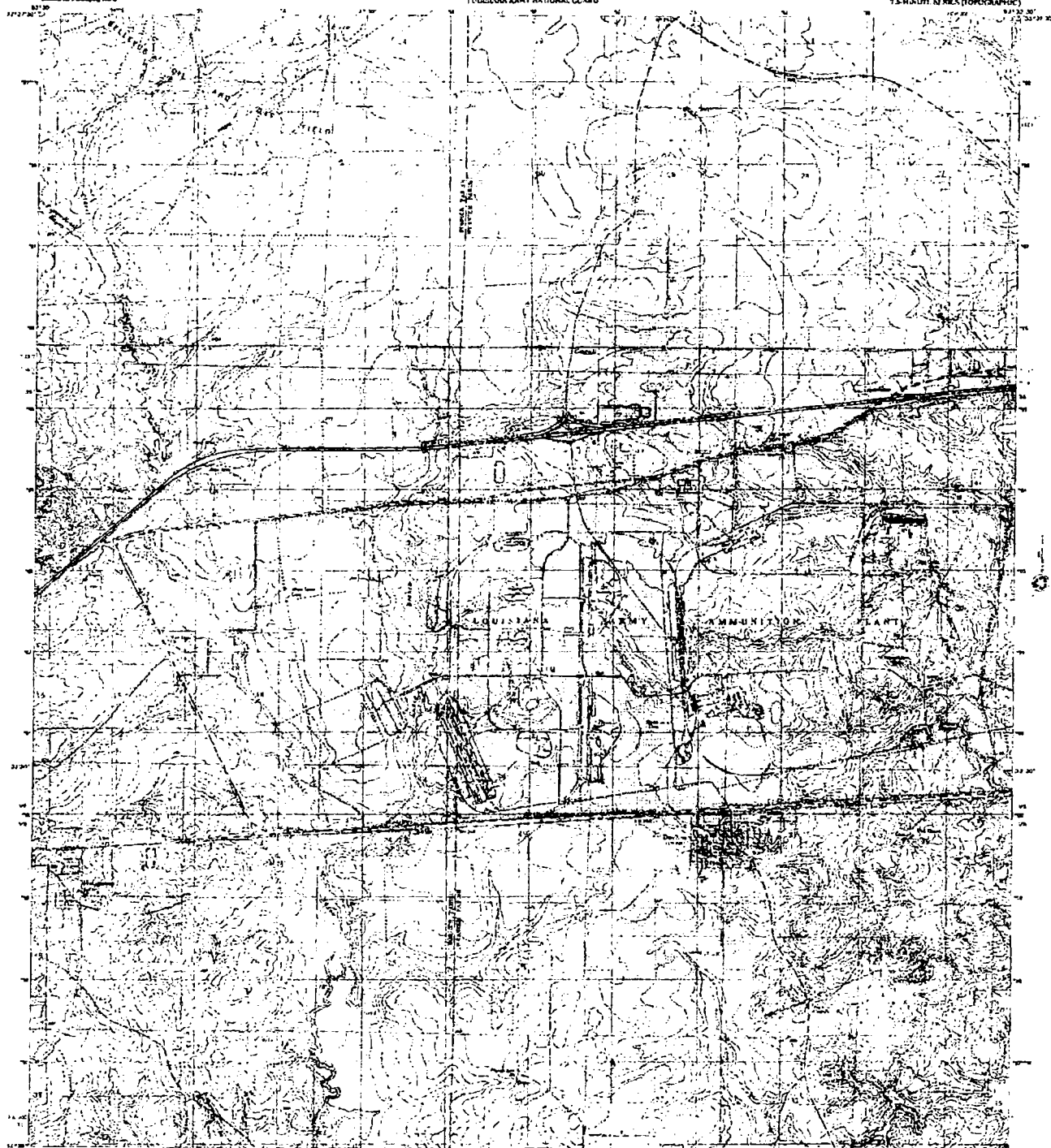
BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Marlo Jackson
Notary Public
Print Name: Marlo Jackson
Notary/Bar Roll #: 72886 Deputy Clerk of Court



UNIVERSITY OF LOUISIANA AT CAYETTE
NATIONAL AIRCRAFTS AND SPACE ADMINISTRATION
REGIONAL APPLICATION CENTER
| LOUISIANA ARMY NATIONAL GUARD

DOYLE & QUADRANGLE
LITHO
75 HUNTER NILES (TOPOGRAFIC)

[illegible]

1. The number of cases of the disease is small.

SCALE 1:100,000

CONTINUED FROM PAGE 17

THE ABOVE INFORMATION IS FOR THE USE OF THE USER ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.



1. Identify the subject of the sentence. (What is the sentence about?)
2. Identify the verb of the sentence. (What is the action?)
3. Identify the object of the sentence. (What is the action directed towards?)
4. Identify the complement of the sentence. (What completes the sentence?)
5. Identify the modifier of the sentence. (What adds more information?)

THE BUREAU OF INVESTIGATION HAS RECEIVED INFORMATION FROM
THE SAME OF A CALIFORNIA COMPANY, CALIFORNIA ELECTRIC POWER
AND LIGHTING COMPANY, OF THE CALIFORNIA POWER AND LIGHT COMPANY, WHICH
IS THE SAME COMPANY WHICH HAS BEEN FORMED BY THE CALIFORNIA POWER

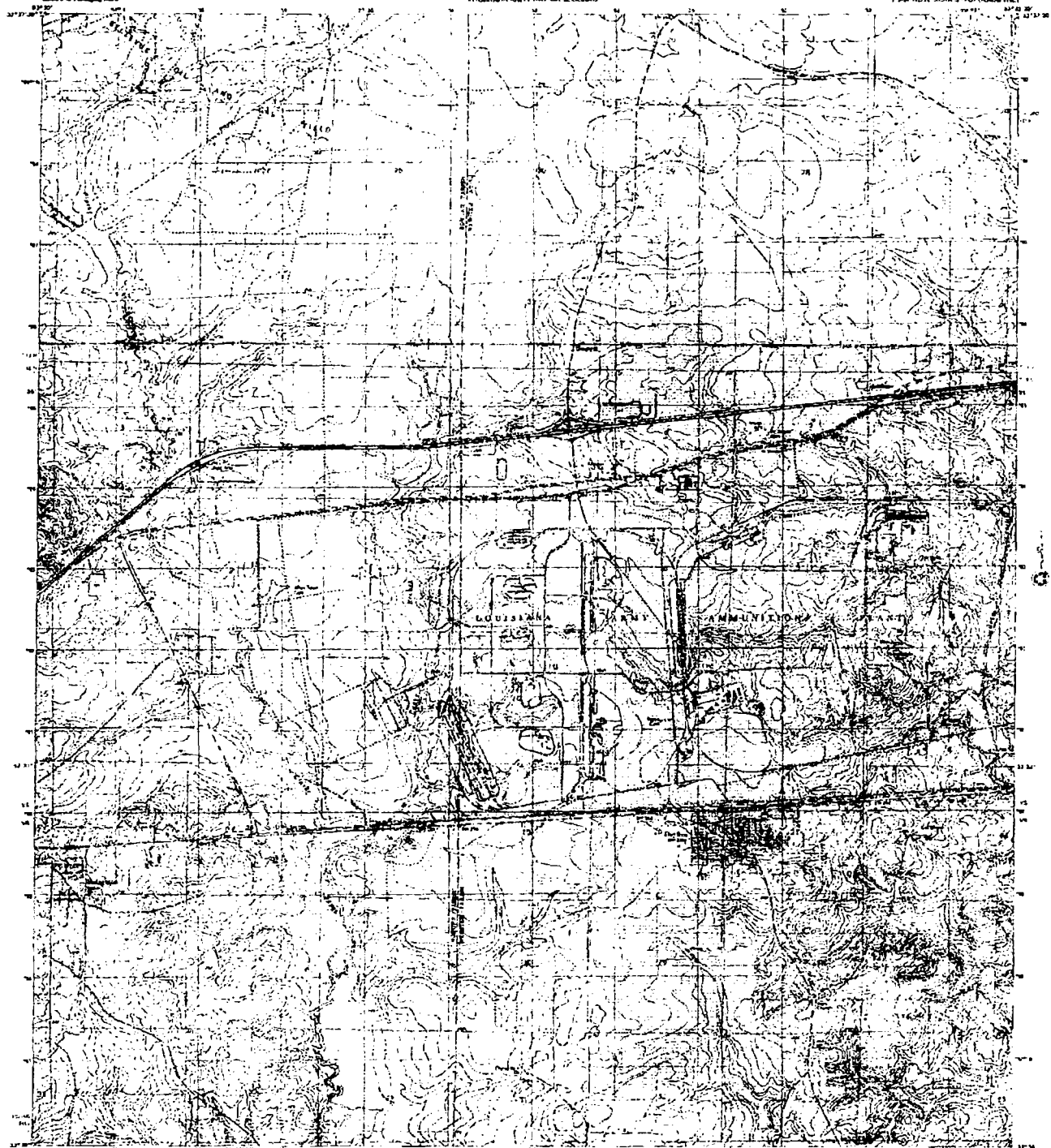
DOYLE, LA
1999



U.S. DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

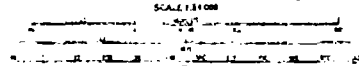
UNIVERSITY OF LOUISIANA AT LAFAYETTE
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
REGIONAL APPLICATIONS TO RESEARCH
LOUISIANA ARMY NATIONAL GUARD

DOYLINE QUADRANGLE
LOUISIANA
7.5-MINUTE SERIES - PHOTOGRAPHIC



Produced by the Coastal Survey Geographical Service
Topographic map, 7.5-minute, 1:50,000 scale, showing
contour lines and spot elevations. The map is based on
aerial photography taken in 1964. The map is
published by the U.S. Geological Survey, Reston,
Virginia. The map is available for purchase from the
U.S. Geological Survey, Reston, Virginia. The map is
available for purchase from the U.S. Geological Survey,
Reston, Virginia. The map is available for purchase
from the U.S. Geological Survey, Reston, Virginia.

Scale 1:50,000
1 inch = 1.25 miles
1 centimeter = 0.39 inches



CONTINUED ON REVERSE SIDE
FOR MORE INFORMATION, CONTACT THE
U.S. GEOLOGICAL SURVEY, RESTON, VIRGINIA 20192

FOR SALE BY THE GEOLOGICAL SURVEY, P.O. BOX 370, RESTON, VIRGINIA 20192
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 10-10-2000 BY 60322 UCBAW/STP



DOYLINE, LA
1964

1:50,000
7.5-MINUTE SERIES - PHOTOGRAPHIC

AMENDMENT NO. 1**To****FACILITY USE AGREEMENT (Effective 1 February 2007)****Between****Louisiana Military Department****And****Explo Systems, Inc.**

This Amendment is entered into this 1 July 2010, by and between the Louisiana Military Department ("Lessor") and Explo Systems, Inc. ("Tenant").

The agreement shall be amended to:

- 1) Include Buildings 1607, 1608 and 1645 in ~~S-line lease~~ for an additional \$5000.00 monthly charge for a period of 1 year ending 30 June 2011. This change reflected in Exhibit A.
- 2) Effective 1 July 2011 Building 1607, 1608 and 1645 will revert to rate charge of \$1.50 per square foot for 95,428 Sq Ft. This changed reflected in Exhibit B
- 3) Effective 1 July, 2012 the rent will increase to \$1.82 per sq ft. for the remainder of the lease for Building 1607, 1608 and 1645 and increase leased square footage by 95,428 Sq Ft of the original Primary leased 73,028 square footage located in S-line. This includes utilization of all buildings in S-line by Lessee with no rate increases due to use as primary or secondary structures for the term of the lease effective 2 July 2012. This change is reflected in Exhibit C.
- 4) In consideration for the reduced rental described in Paragraph (1) above and in order to satisfy the unpaid balance of rent owed by Explo for the periods of May to October 2007 and January to May 2008, Explo agrees to employ a minimum of twenty additional employees over and above their original number of employees working on Camp Minden for the remainder of the lease term. The minimum annual salary to include benefits of each employee shall be no less than \$25,000 per year. Compliance of these conditions for unpaid balance of rent will be contingent on continuation of contracted operations by U.S. Government. All other terms of this Agreement remain unchanged.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have caused this lease to be executed by their duly authorized representatives the day and year first written above.

Explo Systems, Inc

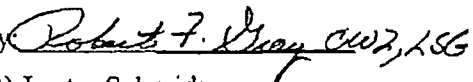
"Tenant"


By: 

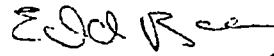
David Smith
Vice President

Louisiana Military Department

"Lessor"

By: 
COL (Ret) Lester Schmidt

 ASST. State Contracting Officer


E. J. R. Boyle 55226

Effective 1 July 10

**EXHIBIT
A
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
2401-2443, 2461-2478 2361-2364					
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
6. Bldg 1607, 1608, 1645	95,428			\$5000.00	\$60,000.00
Total				\$32,479.29	\$389,751.50

Water/sewer Rate = \$3.90/1000
gallons

*Effective 1 July 2011

**EXHIBIT
B
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3					
2401-2443, 2461-2478 2361-2364	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
4. Land for Office				\$500.00	\$6,000.00
5. ARMS <i>PA Oct 2011</i>				X \$2,387.92	\$28,655.04
6. Bldg 1607, 1608, 1645					
	95,428	\$1.50	\$0.125	\$11,928.50	\$143,142.00
Total				\$39,407.79	\$472,893.48

Water/sewer Rate = \$3.90/1000
gallons

*Effective 1 July 2012

**EXHIBIT
C
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq.ft.</u>	<u>Monthly Rate \$/sq.ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1607, 1608, 1618, 1619, 1625, 1633, 1645, 1649	168,456	\$1.82	\$0.1517	\$25,554.77	\$306,657.30
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1640, 1644, 1646, 1648, 1650, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3					
2401-2443, 2461-2478 2361-2364	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
Total				\$41,958.15	\$503,497.84

Water/sewer Rate = \$3.90/1000
gallons

- 2,387.92
\$ 39,570.23

**STATE OF LOUISIANA
MILITARY DEPARTMENT
COMMERCIAL LEASE**

**STATE OF LOUISIANA
PARISH OF WEBSTER**

This contract of lease is effective on the 1st day of February, 2007 by and between Explo Systems, Inc., 2900 Java Rd., Minden, LA 71055, by and through its authorized agent, David Fincher ("LESSEE") and the State of Louisiana, Military Department, Camp Beauregard, LA 70136 ("LESSOR"), through its authorized representative, Lester Schmidt. This lease will become binding on LESSOR only after execution by LESSOR and delivery to LESSEE. Deposit of LESSEE's first rental payment into any account of LESSOR does not constitute acceptance of this lease by LESSOR.

AUTHORITY

By virtue of the provisions of La. R.S. 41:1211 to 1221, inclusive, and pursuant to the terms, conditions and considerations hereinafter set forth, LESSOR does hereby lease and let unto LESSEE, without any warranty of title whatsoever, but with full subrogation of all rights thereto, the following described property owned by the State of Louisiana, and situated in the Parish of Webster, to wit:

PROPERTY

A portion of land located at Camp Minden, Louisiana, being more particularly described on Exhibit "A" attached hereto, hereinafter referred to as "the Property."

TERM

This lease is granted for an initial term of ten (10) years, commencing on 1 February, 2007 and ending at 12:00 noon on 31 January, 2017. LESSOR may renew and extend the lease in accordance with the provisions of La. R.S. 41:1217.

PURPOSE

It is understood and agreed that this lease is made and executed by LESSOR to LESSEE for the sole purpose of reprocessing explosive material from demilitarized ordinance on the Property.

RENTAL

1. In consideration of LESSEE remaining in Camp Minden, the need for LESSEE to make repairs and install electrical and plumbing infrastructure onto the property in order to continue operations, LESSOR agrees to waive the provision of La. R.S. 41:1217 (A), which requires that rent be paid on a yearly basis, and accept rent on a monthly basis from LESSEE. The rental payment in the sum of \$27,479.29 per month will be paid

monthly, in advance, and is due on the first day of each month during the term of the lease. LESSEE, in lieu of State requirement to pay rent on a yearly basis, shall deposit with LESSOR a security deposit in the amount of one (1) month's base rent on the date this agreement is in force.

2. In the event of late payment and at LESSOR's option, LESSEE may be granted up to an additional thirty (30) days to make payment. During this thirty (30) day period, any late rental payments tendered by LESSEE must include an additional late penalty payment equal to 15% of the monthly lease payment for each late month.
3. LESSOR reserves the right, at LESSOR's sole option, to annually adjust the rental to reflect the percentage of increase or decrease in the cost of living index as established by the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the U.S. Department of Labor or any revision or equivalent to any such index published by the U.S. Government, which has occurred from date of this instrument to the date of adjustment provided however, that in no event shall consideration of such renewal be less than the consideration paid herein for the original term.

REPAIRS AND IMPROVEMENTS

Lessee shall have the right to make, upon execution of this Lease, at LESSEE's expense, any and all repairs to the Property which, in LESSEE's discretion, are necessary and proper in order that LESSEE may occupy and use the Property for the purposes for which LESSEE entered into this lease agreement, which purposes include, but are not limited to, the reprocessing explosive material from demilitarized ordinance. Thereafter LESSEE shall not make any additions, alternations removals or reconstruction of any nature whatsoever to the Property, including improvements, without prior written permission of LESSOR, whose permission shall neither be unreasonably delayed nor denied. Thirty (30) days shall be a reasonable time for the consideration of a request for such permission, and if no response is received within thirty (30) days, approval will be deemed given. Any such improvements shall revert to the ownership of the LESSOR in the event of termination of this lease. LESSEE is required to obtain all permits for such repairs and improvements from local, State and Federal agencies if necessary prior to commencing such work.

CONDITIONS

1. This lease is granted subject to all existing surface leases, mineral leases, servitudes, rights-of-way, permits or any other contracts, whether recorded or unrecorded, affecting the Property.
2. LESSEE shall comply with all federal, state and local rules, regulations and ordinances for sewer, sanitation, fire, safety, transportation, environmental compliance and any other regulated activities.

3. LESSEE agrees to use the Property as a good and careful administrator. This includes maintaining the Property in a neat, clean and orderly manner at all times. No hazardous waste materials shall be placed or stored by LESSEE on or under the Property. Underbrush must be cleared from the Property, but no trees over 6" in diameter may be cut on the Property without prior approval of LESSOR. No interior or exterior building maintenance or ground maintenance will be provided by LESSOR on the Property. LESSEE is required to maintain the Property, which includes all rights of ingress and egress, in good and safe condition. The grounds contained within the perimeter fence of S-Line (excluding the area occupied by CenterPoint) will be maintained by LESSEE in such a condition as to preclude the spread of grass fires. LESSEE will be responsible for all normal and routine maintenance or repair to the Property, as well as, any maintenance or repair to the Property or elsewhere on the installation required due to acts or omissions of LESSEE and its employees, agents, contractors, subcontractors, licensees or invitees.
4. • LESSEE agrees to abide by all of the rules, regulations and orders of the Commander, Camp Minden as published from time to time. These regulations include but are not limited to safety, security, credentialing, ingress and egress, environmental compliance, emergency procedures and the like. To the extent required by law or regulation or as required by the Commander, Camp Minden, the Commander, Camp Minden is the approval authority for any and all safety plans, environmental compliance plans or security plans of the LESSEE. In approving or disapproving such plans, the Commander, Camp Minden is acting in his capacity as an Officer of the State's Organized Military Forces as defined by La.R.S. 29:1, et.seq. and is performing a discretionary act as defined by La.R.S. 9:2798.1 and is entitled to indemnification under La.R.S. 29:24.
5. LESSEE agrees to contract with existing utility providers and pay all utilities for its operation on the property. Electricity will be provided to the transformer of primary buildings and metered. Usage will be billed by Camp Minden or the provider, at the direction of LESSOR, at the actual local utility supplier rates. It is the responsibility of the Lessee to install any electric meters if not presently installed. In the event that LESSEE uses electricity provided by Camp Minden and the electrical distribution system is later sold or conveyed to a local electricity supplier, the Lessee agrees to contract directly with said supplier. Lessor shall provide and maintain a sewage and water system for the Property that is adequate to accommodate Lessee's manufacturing operations. Water and sewage system use shall be charged as set forth in Exhibit A. It is the responsibility of the Lessee to install any water meters if not presently installed.
6. Should an agent or attorney be employed to give special attention to the enforcement or protection of any claim of LESSOR arising from this lease, LESSEE shall pay as fees and compensation to such agent or attorney such sum as will constitute a reasonable fee including all court costs, together with all other costs, charges and expenses or reimbursement for actual costs occasioned by LESSOR, at LESSOR's discretion.
7. LESSEE is to provide fire breaks in connecting walkways in eight locations as designated by LESSOR NLT 90 days after effective date of lease.

RESERVATIONS

LESSOR reserves the full use and enjoyment of the Property, both surface and subsurface, for any and all purposes except those particular uses granted hereinabove to LESSEE. LESSOR's reservation includes, but is not limited to, the following rights:

1. LESSOR reserves all rights of whatever nature and kind in and to all minerals on or under the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, drilling, mining, production, development, storage and transportation of all oil, gas, sulphur and other minerals, on or under the Property or any other lands under the control of LESSOR.
2. LESSOR reserves all rights of whatever nature and kind in and to all other surface or subsurface uses of the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, mining, production and development of all sand, gravel or shell deposits; issuance of servitudes and rights-of-way; and issuance of permits and leases.
3. LESSOR reserves all rights of whatever nature and kind in and to all timber and forest products on the Property. These rights include, but are not limited to, rights of access, management and/or removal of timber and forest products.

LESSOR may exercise the rights reserved herein without LESSEE's consent, so long as the exercised rights do not interfere with LESSEE's use of the Property. LESSEE hereby expressly agrees and declares that LESSOR shall not be liable to LESSEE for damages from the exercise of any rights reserved herein, provided, however, that said damage is not caused by the gross negligence or intentional act of LESSOR.

ASSIGNMENT/SUBLEASE

This agreement shall be binding upon LESSOR and LESSEE, their respective successors and assigns. This lease may not be assigned, subleased or otherwise transferred in whole or in part without the prior written permission of LESSOR, provided, however, that such consent shall not be necessary in the event of a transfer of the lease resulting from a corporate merger, consolidation or change of name of LESSEE.

HOLD HARMLESS

LESSEE accepts the Property as is and in its present condition, and LESSOR shall not be responsible for damage of any kind to any person or property on the Property, except if such damage is caused by a third party or by LESSOR's gross negligence or intentional conduct. LESSEE further agrees to indemnify and hold LESSOR harmless against any loss or liability for injury to or death of persons or damage to property of others, including costs and expenses incident thereto, arising from or in connection with LESSEE's use or occupancy of the Property or of any of the rights granted herein. LESSEE will, at LESSOR's request, appear and defend any suit arising from any such loss or liability at its own sole cost and expense and will pay any

judgment that may be entered against LESSOR therein when said suit is finally determined. LESSEE agrees to hold LESSOR harmless from any fines levied by governmental authorities for noncompliance of LESSEE's operations with Local, State or Federal laws.

EXPLOSION OR FIRE

In the event that the LESSEE experiences a fire or explosion on the Property which damages all or part of the property, LESSEE shall be responsible for any and all consequential damages suffered by LESSOR or any third party and LESSEE agrees to indemnify and hold LESSOR harmless for any such consequential damages or injury to third parties including, but not limited to, other tenants of LESSOR at Camp Minden, except to the extent caused by LESSOR, or a third party. LESSEE shall furnish and install such safety devices, such as spark arresters, lightning rods, and static electricity suppressors, as are generally installed in facilities in which the business of manufacturing munitions is conducted. Further, LESSEE shall carry sufficient insurance coverage (\$1,000,000), (proof of which is provided upon execution of this lease) which names LESSOR as loss payee, to remove debris and replace damaged/destroyed property.

INSURANCE

In accordance with the Louisiana Office of Risk Management Insurance Requirements in Contracts (June 2004), LESSEE shall procure and maintain for the duration of the lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's operation and use of the leased premises. The cost of such insurance shall be borne by the LESSEE. LESSOR shall be named as an additional insured.

1. **Minimum Scope of Insurance.** Coverage shall be at least as broad as:
 - a. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
 - b. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana and Employers Liability insurance.
2. **Minimum Limits of Insurance.** LESSEE shall maintain limits no less than:
 - a. Commercial General Liability: LESSEE will provide a blanket insurance of \$1,000,000 Commercial General Liability for bodily injury, personal injury and property damage.
 - b. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage.
 - c. Property Insurance: Proof of \$1,000,000 property coverage, including explosion and fire.

3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the LESSOR, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the LESSOR, its officers, officials and employees, or 2) the LESSEE shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
4. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:
 - a. General Liability
 - (1) The LESSOR, its officers, officials, employees and volunteers are to be covered as "additional insureds" as respects: liability arising out of the premises owned, occupied or used by the LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to the LESSOR, its officers, officials, employees or volunteers.
 - (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the LESSOR, its officers, officials, employees or volunteers.
 - (3) Coverage shall state that the LESSEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - b. Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the LESSOR, its officers, officials, employees and volunteers for losses arising from the leased premises.
 - c. All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the LESSOR.
5. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of **A-VI or higher**. This rating requirement may be waived for workers' compensation coverage only.
6. Verification of Coverage. LESSEE shall furnish LESSOR with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LESSOR before the lease commences. The LESSOR reserves the right to require complete, certified copies of all required insurance policies, at any time.

TERMINATION/CANCELLATION

1. Should LESSEE at any time violate any of the conditions of this lease, file for Bankruptcy protection or discontinue the use of the Property, payments or other expenses assumed under this lease, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, LESSOR shall have the option to immediately cancel this lease without putting LESSEE in default, LESSEE to remain responsible for all damages or losses suffered by LESSOR, LESSEE hereby assenting thereto and expressly waiving the legal notices to vacate the Property.
2. Should LESSEE at any time use the Property or portion thereof for any illegal or unlawful purpose, or should LESSEE permit or tolerate the commission of any act made punishable by fine or imprisonment under the laws of the United States or the State of Louisiana, or any ordinance of the Parish, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, the remedies set forth in the preceding paragraph shall be available to LESSOR immediately without necessity of giving any written notice or any other notice to LESSEE.
3. It is understood and agreed that should it be determined that the Property covered by this lease is required for a public purpose by the State, LESSEE shall be so notified by writing and this lease shall be canceled and terminated and the Property surrendered ninety (90) days from the date of receipt of said notice, provided, however, that in the event that LESSOR shall exercise the option to cancel this lease because of any reason other than just cause, then in such event LESSOR and/or the State of Louisiana shall reimburse LESSEE for all costs and expenses incurred by LESSEE in connection with the repair of the Property as is set forth in the paragraph titled REPAIRS AND IMPROVEMENTS, hereinabove. However, the LESSOR will only reimburse the depreciated value of the repairs and improvements at the time of the cancellation of the lease. LESSEE shall not be required to surrender the Property until the reimbursements described above have been paid to LESSEE in full.
4. LESSEE may surrender this lease at any time, either during the original term or any extension of the original term by giving written notice to LESSOR. If LESSEE had previously recorded this lease in the parish conveyance records, then LESSEE shall file a written release in the parish conveyance records and shall provide LESSOR a certified copy thereof. Surrender of this lease shall not affect any obligations provided herein as to the liability of LESSEE to LESSOR, or any obligation of LESSEE to hold LESSOR harmless for, any claim as specifically set forth herein, but such surrender will serve to terminate this LEASE and all other obligations contained herein as of the date of surrender.
5. Upon termination of this lease, LESSEE will *ipso facto* forfeit any right of recourse against LESSOR for return of all or part of the consideration paid.
6. In the event of cancellation or termination for any reason, LESSEE, or its assigns, hereby agree to remove at their sole risk, cost and expense, any or all constructions or obstacles

placed on the Property during the Lease term, or any extension thereof, except for "permanent improvements" to the Property under La. R.S. 41:1217, and which were existing on the property ("Existing Permanent Improvements"). LESSEE further agrees to restore the Property to its original condition, reasonable wear and tear excepted, as improved by such Existing Permanent Improvements within ninety (90) days of lease termination. Should LESSOR undertake the removal of any or all constructions or obstacles and restoration of the property by reason of LESSEE or its assigns failure or refusal to do so, then LESSEE and its assigns expressly consent and agree to reimburse LESSOR for the full costs incurred for such removal and restoration.

Any Permanent Improvements LESSEE adds after the execution of this lease shall not be treated as an Existing Permanent Improvement unless otherwise agreed by both the LESSOR and LESSEE in writing.

7. Should LESSOR allow or permit LESSEE to remain on the Property after the expiration or termination of this lease, this shall not be construed as reconduction of this lease.

EFFECT OF LAW

The parties to this lease understand and agree that the provisions herein shall, between them, have the effect of law, but in reference to matters not provided herein, this lease shall be governed by the laws of the State of Louisiana.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

STATE OF LOUISIANA
MILITARY DEPARTMENT

David Talbot

By: [Signature]

Rami D. Stucky

Its: STATE CONTRACT OFFICER

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

[Signature]
Notary Public
Print Name: Eddy M Bogues
Notary/Bar Roll #: 55228

WITNESSES:

Romanda Lee

Neeley Hardaway

EXPLO SYSTEMS, INC.

By: David P. Lil

Its: PRESIDENT

BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Marlo Jackson

Notary Public

Print Name: Marlo Jackson

Notary/Bar Roll #: #72886 Deputy Clerk of Court

**EXHIBIT A
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq. ft.</u>	<u>Monthly Rate \$/sq. ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610 , 1611, 1612, 1613, 1615, 1616, 1617 , 1620, 1621, 1622, 1623 , 1624, 1626, 1628, 1629 , 1630, 1632, 1634 , 1635, 1636, 1637, 1639, 1640 , 1644, 1646 , 1648, 1650 , 1652, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
2401-2443, 2461-2478 2361-2364					
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
Total				\$27,479.29	\$329,751.50

Water/sewer Rate = \$3.90/1000 gallons

RIDER FOR THE AGREEMENT DATED 1 FEBRUARY, 2007
BETWEEN
LOUISIANA MILITARY DEPARTMENT
AND
EXPLOSYSTEMS, INC

Lessee shall not be required to furnish or provide to lessor any builder's risk or other property insurance during such time as building and renovation activities are being undertaken by Lessee as required by this lease. Upon completion of such renovation activities, and prior to undertaking manufacturing activities, Lessee shall make its best effort to purchase property insurance insuring against fire and explosion if such insurance is available in the commercial insurance market in an amount which is economically feasible, as appropriate in the custom and trade and considering the totality of the circumstances.. In the event that property insurance in the amount required by the lease is not available pursuant to the foregoing stipulations, then Lessee shall be required to furnish property insurance in a lesser amount which is economically feasible.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

STATE OF LOUISIANA

MILITARY DEPARTMENT

David J. Ball
Ram. P. Strobby

By: [Signature]
Its: STATE CONTRACTING - OFFICE

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

Eddy M. Bogue
Notary Public
Print Name: Eddy M Bogue
Notary/Bar Roll #: 55228

WITNESSES:

Samuel Lee
Neel Hardaway

EXPLO SYSTEMS, INC.

By:

Dan P. Hill

Its:

PRESIDENT

BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Marlo Jackson
Notary Public
Print Name: Marlo Jackson
Notary/Bar Roll #: 72886 Deputy Clerk of Court

**STATE OF LOUISIANA
MILITARY DEPARTMENT
COMMERCIAL LEASE**

**STATE OF LOUISIANA
PARISH OF WEBSTER**

This contract of lease is effective on the 1st day of February, 2007 by and between Explo Systems, Inc., 2900 Java Rd., Minden, LA 71055, by and through its authorized agent, David Fincher ("LESSEE") and the State of Louisiana, Military Department, Camp Beauregard, LA 70136 ("LESSOR"), through its authorized representative, Lester Schmidt. This lease will become binding on LESSOR only after execution by LESSOR and delivery to LESSEE. Deposit of LESSEE's first rental payment into any account of LESSOR does not constitute acceptance of this lease by LESSOR.

AUTHORITY

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A portion of land located at Camp Minden, Louisiana, being more particularly described on Exhibit "A" attached hereto, hereinafter referred to as "the Property."

TERM

This lease is granted for an initial term of ten (10) years, commencing on 1 February, 2007 and ending at 12:00 noon on 31 January, 2017. LESSOR may renew and extend the lease in accordance with the provisions of La. R.S. 41:1217.

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1. In consideration of LESSEE remaining in Camp Minden, the need for LESSEE to make repairs and install electrical and plumbing infrastructure onto the property in order to continue operations, LESSOR agrees to waive the provision of La. R.S. 41:1217 (A), which requires that rent be paid on a yearly basis, and accept rent on a monthly basis from LESSEE. The rental payment in the sum of \$27,479.29 per month will be paid

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2. In the event of late payment and at LESSOR's option, LESSEE may be granted up to an additional thirty (30) days to make payment. During this thirty (30) day period, any late rental payments tendered by LESSEE must include an additional late penalty payment equal to 15% of the monthly lease payment for each late month.
3. LESSOR reserves the right, at LESSOR's sole option, to annually adjust the rental to reflect the percentage of increase or decrease in the cost of living index as established by the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the U.S. Department of Labor or any revision or equivalent to any such index published by the U.S. Government, which has occurred from date of this instrument to the date of adjustment provided however, that in no event shall consideration of such renewal be less than the consideration paid herein for the original term.

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Lessee shall have the right to make, upon execution of this Lease, at LESSEE's expense, any and all repairs to the Property which, in LESSEE's discretion, are necessary and proper in order that LESSEE may occupy and use the Property for the purposes for which LESSEE entered into this lease agreement, which purposes include, but are not limited to, the reprocessing explosive material from demilitarized ordinance. Thereafter LESSEE shall not make any additions, alternations removals or reconstruction of any nature whatsoever to the Property, including improvements, without prior written permission of LESSOR, whose permission shall neither be unreasonably delayed nor denied. Thirty (30) days shall be a reasonable time for the consideration of a request for such permission, and if no response is received within thirty (30) days, approval will be deemed given. Any such improvements shall revert to the ownership of the LESSOR in the event of termination of this lease. LESSEE is required to obtain all permits for such repairs and improvements from local, State and Federal agencies if necessary prior to commencing such work.

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4. LESSEE agrees to abide by all of the rules, regulations and orders of the Commander, Camp Minden as published from time to time. These regulations include but are not limited to safety, security, credentialing, ingress and egress, environmental compliance, emergency procedures and the like. To the extent required by law or regulation or as required by the Commander, Camp Minden, the Commander, Camp Minden is the approval authority for any and all safety plans, environmental compliance plans or security plans of the LESSEE. In approving or disapproving such plans, the Commander, Camp Minden is acting in his capacity as an Officer of the State's Organized Military Forces as defined by La.R.S. 29:1, et.seq. and is performing a discretionary act as defined by La.R.S. 9:2798.1 and is entitled to indemnification under La.R.S. 29:24.
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1. LESSOR reserves all rights of whatever nature and kind in and to all minerals on or under the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, drilling, mining, production, development, storage and transportation of all oil, gas, sulphur and other minerals, on or under the Property or any other lands under the control of LESSOR.
2. LESSOR reserves all rights of whatever nature and kind in and to all other surface or subsurface uses of the Property. These rights include, but are not limited to, all operations which are necessary, useful or convenient for the exploration, exploitation, mining, production and development of all sand, gravel or shell deposits; issuance of servitudes and rights-of-way; and issuance of permits and leases.
3. LESSOR reserves all rights of whatever nature and kind in and to all timber and forest products on the Property. These rights include, but are not limited to, rights of access, management and/or removal of timber and forest products.

LESSOR may exercise the rights reserved herein without LESSEE's consent, so long as the exercised rights do not interfere with LESSEE's use of the Property. LESSEE hereby expressly agrees and declares that LESSOR shall not be liable to LESSEE for damages from the exercise of any rights reserved herein, provided, however, that said damage is not caused by the gross negligence or intentional act of LESSOR.

ASSIGNMENT/SUBLEASE

This agreement shall be binding upon LESSOR and LESSEE, their respective successors and assigns. This lease may not be assigned, subleased or otherwise transferred in whole or in part without the prior written permission of LESSOR, provided, however, that such consent shall not be necessary in the event of a transfer of the lease resulting from a corporate merger, consolidation or change of name of LESSEE.

HOLD HARMLESS

LESSEE accepts the Property as is and in its present condition, and LESSOR shall not be responsible for damage of any kind to any person or property on the Property, except if such damage is caused by a third party or by LESSOR's gross negligence or intentional conduct. LESSEE further agrees to indemnify and hold LESSOR harmless against any loss or liability for injury to or death of persons or damage to property of others, including costs and expenses incident thereto, arising from or in connection with LESSEE's use or occupancy of the Property or of any of the rights granted herein. LESSEE will, at LESSOR's request, appear and defend any suit arising from any such loss or liability at its own sole cost and expense and will pay any

judgment that may be entered against LESSOR therein when said suit is finally determined. LESSEE agrees to hold LESSOR harmless from any fines levied by governmental authorities for noncompliance of LESSEE's operations with Local, State or Federal laws.

EXPLOSION OR FIRE

In the event that the LESSEE experiences a fire or explosion on the Property which damages all or part of the property, LESSEE shall be responsible for any and all consequential damages suffered by LESSOR or any third party and LESSEE agrees to indemnify and hold LESSOR harmless for any such consequential damages or injury to third parties including, but not limited to, other tenants of LESSOR at Camp Minden, except to the extent caused by LESSOR, or a third party. LESSEE shall furnish and install such safety devices, such as spark arresters, lightning rods, and static electricity suppressors, as are generally installed in facilities in which the business of manufacturing munitions is conducted. Further, LESSEE shall carry sufficient insurance coverage (\$1,000,000), (proof of which is provided upon execution of this lease) which names LESSOR as loss payee, to remove debris and replace damaged/destroyed property.

INSURANCE

In accordance with the Louisiana Office of Risk Management Insurance Requirements in Contracts (June 2004), LESSEE shall procure and maintain for the duration of the lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's operation and use of the leased premises. The cost of such insurance shall be borne by the LESSEE. LESSOR shall be named as an additional insured.

1. **Minimum Scope of Insurance.** Coverage shall be at least as broad as:
 - a. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). "Claims Made" form is unacceptable.
 - b. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana and Employers Liability insurance.
2. **Minimum Limits of Insurance.** LESSEE shall maintain limits no less than:
 - a. Commercial General Liability: LESSEE will provide a blanket insurance of \$1,000,000 Commercial General Liability for bodily injury, personal injury and property damage.
 - b. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage.
 - c. Property Insurance: Proof of \$1,000,000 property coverage, including explosion and fire.

3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the LESSOR, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the LESSOR, its officers, officials and employees, or 2) the LESSEE shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
4. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:
 - a. General Liability
 - (1) The LESSOR, its officers, officials, employees and volunteers are to be covered as "additional insureds" as respects: liability arising out of the premises owned, occupied or used by the LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to the LESSOR, its officers, officials, employees or volunteers.
 - (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the LESSOR, its officers, officials, employees or volunteers.
 - (3) Coverage shall state that the LESSEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - b. Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the LESSOR, its officers, officials, employees and volunteers for losses arising from the leased premises.
 - c. All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the LESSOR.
5. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of **A-VI or higher**. This rating requirement may be waived for workers' compensation coverage only.
6. Verification of Coverage. LESSEE shall furnish LESSOR with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LESSOR before the lease commences. The LESSOR reserves the right to require complete, certified copies of all required insurance policies, at any time.

TERMINATION/CANCELLATION

1. Should LESSEE at any time violate any of the conditions of this lease, file for Bankruptcy protection or discontinue the use of the Property, payments or other expenses assumed under this lease, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, LESSOR shall have the option to immediately cancel this lease without putting LESSEE in default, LESSEE to remain responsible for all damages or losses suffered by LESSOR, LESSEE hereby assenting thereto and expressly waiving the legal notices to vacate the Property.
2. Should LESSEE at any time use the Property or portion thereof for any illegal or unlawful purpose, or should LESSEE permit or tolerate the commission of any act made punishable by fine or imprisonment under the laws of the United States or the State of Louisiana, or any ordinance of the Parish, and should LESSEE fail to remedy such matter within thirty (30) days of written notice from LESSOR, the remedies set forth in the preceding paragraph shall be available to LESSOR immediately without necessity of giving any written notice or any other notice to LESSEE.
3. It is understood and agreed that should it be determined that the Property covered by this lease is required for a public purpose by the State, LESSEE shall be so notified by writing and this lease shall be canceled and terminated and the Property surrendered ninety (90) days from the date of receipt of said notice, provided, however, that in the event that LESSOR shall exercise the option to cancel this lease because of any reason other than just cause, then in such event LESSOR and/or the State of Louisiana shall reimburse LESSEE for all costs and expenses incurred by LESSEE in connection with the repair of the Property as is set forth in the paragraph titled REPAIRS AND IMPROVEMENTS, hereinabove. However, the LESSOR will only reimburse the depreciated value of the repairs and improvements at the time of the cancellation of the lease. LESSEE shall not be required to surrender the Property until the reimbursements described above have been paid to LESSEE in full.
4. LESSEE may surrender this lease at any time, either during the original term or any extension of the original term by giving written notice to LESSOR. If LESSEE had previously recorded this lease in the parish conveyance records, then LESSEE shall file a written release in the parish conveyance records and shall provide LESSOR a certified copy thereof. Surrender of this lease shall not affect any obligations provided herein as to the liability of LESSEE to LESSOR, or any obligation of LESSEE to hold LESSOR harmless for, any claim as specifically set forth herein, but such surrender will serve to terminate this LEASE and all other obligations contained herein as of the date of surrender.
5. Upon termination of this lease, LESSEE will *ipso facto* forfeit any right of recourse against LESSOR for return of all or part of the consideration paid.
6. In the event of cancellation or termination for any reason, LESSEE, or its assigns, hereby agree to remove at their sole risk, cost and expense, any or all constructions or obstacles

placed on the Property during the Lease term, or any extension thereof, except for "permanent improvements" to the Property under La. R.S. 41:1217, and which were existing on the property ("Existing Permanent Improvements"). LESSEE further agrees to restore the Property to its original condition, reasonable wear and tear excepted, as improved by such Existing Permanent Improvements within ninety (90) days of lease termination. Should LESSOR undertake the removal of any or all constructions or obstacles and restoration of the property by reason of LESSEE or its assigns failure or refusal to do so, then LESSEE and its assigns expressly consent and agree to reimburse LESSOR for the full costs incurred for such removal and restoration.

Any Permanent Improvements LESSEE adds after the execution of this lease shall not be treated as an Existing Permanent Improvement unless otherwise agreed by both the LESSOR and LESSEE in writing.

7. Should LESSOR allow or permit LESSEE to remain on the Property after the expiration or termination of this lease, this shall not be construed as reconduction of this lease.

EFFECT OF LAW

The parties to this lease understand and agree that the provisions herein shall, between them, have the effect of law, but in reference to matters not provided herein, this lease shall be governed by the laws of the State of Louisiana.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

Dan V. Talbot

Ram D. Stucky

STATE OF LOUISIANA

MILITARY DEPARTMENT

By: [Signature]

Its: STATE CONTRACTING OFFICER

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

Eddy M. Rogers
Notary Public
Print Name: Eddy Rogers
Notary/Bar Roll #: 55228

WITNESSES:

Commander Lee

Neely Handaway

EXPLO SYSTEMS, INC.

By: David P. Hill

Its: PRESIDENT

BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Marlo Jackson
Notary Public
Print Name: Marlo Jackson
Notary/Bar Roll #: 72886 Deputy Clerk of Court

**EXHIBIT A
TENANT USE FEE**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Annual Rate \$/sq. ft.</u>	<u>Monthly Rate \$/sq. ft.</u>	<u>Total/Mo.</u>	<u>Total/Yr.</u>
1. Area S - Primary					
1601, 1618, 1619, 1625, 1633, 1649	73,028	\$1.82	\$0.1517	\$11,075.91	\$132,910.96
2. Area S - Secondary					
1602, 1603, 1604, 1605, 1606, 1610, 1611, 1612, 1613, 1615, 1616, 1617, 1620, 1621, 1622, 1623, 1624, 1626, 1628, 1629, 1630, 1632, 1634, 1635, 1636, 1637, 1639, 1640, 1644, 1646, 1648, 1650, 1652, 1653	82,075	\$0.50	\$0.0417	\$3,419.79	\$41,037.50
3. Area L-2, L-3	121,148	\$1.00	\$0.0833	\$10,095.67	\$121,148.00
2401-2443, 2461-2478 2361-2364					
4. Land for Office				\$500.00	\$6,000.00
5. ARMS				\$2,387.92	\$28,655.04
Total				\$27,479.29	\$329,751.50

Water/sewer Rate = \$3.90/1000 gallons

RIDER FOR THE AGREEMENT DATED 1 FEBRUARY, 2007
BETWEEN
LOUISIANA MILITARY DEPARTMENT
AND
EXPLOSYSTEMS, INC

Lessee shall not be required to furnish or provide to lessor any builder's risk or other property insurance during such time as building and renovation activities are being undertaken by Lessee as required by this lease. Upon completion of such renovation activities, and prior to undertaking manufacturing activities, Lessee shall make its best effort to purchase property insurance insuring against fire and explosion if such insurance is available in the commercial insurance market in an amount which is economically feasible, as appropriate in the custom and trade and considering the totality of the circumstances.. In the event that property insurance in the amount required by the lease is not available pursuant to the foregoing stipulations, then Lessee shall be required to furnish property insurance in a lesser amount which is economically feasible.

THUS, EFFECTIVE at Webster Parish, Louisiana, in triplicate, on the day aforesaid.

WITNESSES:

David J. Tolbert
Ronni D. Stuckey

STATE OF LOUISIANA

MILITARY DEPARTMENT

By: [Signature]

Its: STATE CONTRACTOR OF

BEFORE ME personally appeared the above representative of the State of Louisiana, Military Department, who subscribed this Lease before me this 8th day of February, 2007.

[Signature]
Notary Public

Print Name: EDDY M BOSQUE

Notary/Bar Roll #: 55228

WITNESSES:

Damond Lee
Heely Handaway

EXPLO SYSTEMS, INC.

By:

Its:

David Phil
PRESIDENT

BEFORE ME personally appeared the above representative of Explo Systems, Inc., who subscribed this Lease before me this 8th day of February, 2007.

Notary Public

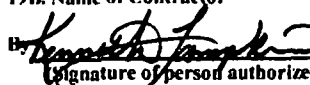

Print Name:

Notary/Bar Roll #:

Marlo Jackson

Marlo Jackson

12886 Deputy Clerk of Court

AWARD/CONTRACT		1. This Contract Is A Rated Order Under DPAS (15 CFR 350) ▶		Rating DOA6	Page 1 Of 36 Pages		
2. Contract (Proc. Inst. Ident.) No. WS2P1J-10-C-0025		3. Effective Date 24 Mar 2010		4. Requisition/Purchase Request/Project No. SEE SCHEDULE			
5. Issued By ROCK ISLAND CONTRACTING CENTER CCRC-AR AMY KNUTSON (309) 782-5664 ROCK ISLAND, IL 61299-8000 BLDGS 350 & 390 & 60		Code WS2P1J	6. Administered By (If Other Than Item 5) DCMA AMMUNITION GROUP DCMAG-MSM BLDG 1, ARDEC PICATINNY, NJ 07806-5000		Code S3403A		
e-mail address: AMY.KNUTSON@US.ARMY.MIL		SCD C PAS NONE		ADP PT HQ0337			
7. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) EXPLO SYSTEMS, INC. 1600 JAVA RD MINDEN, LA 71055-7795			8. Delivery <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Below)				
TYPE BUSINESS: Other Small Business Performing in U.S.			9. Discount For Prompt Payment				
Code 1YKY9 Facility Code			10. Submit Invoices (4 Copies Unless Otherwise Specified) ▶		Item 12		
11. Ship To/Mark For SEE SCHEDULE			To The Address Shown In:				
Code			12. Payment Will Be Made By DPAS - COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182266 COLUMBUS, OH 43218-2266		Code HQ0337		
13. Authority For Using Other Than Full And Open Competition: <input type="checkbox"/> 10 U.S.C. 2304(c) <input type="checkbox"/> 41 U.S.C. 253(c)			14. Accounting And Appropriation Data ACRN: AA 21 02034000001B1B05P421040252H S28017 WS2P1J				
15A. Item No. SEE SCHEDULE		15B. Supplies/Services CONTRACT TYPE: Firm-Fixed-Price		15C. Quantity	15D. Unit		
				15E. Unit Price	15F. Amount		
				15G. Total Amount Of Contract → \$2,902,500.00			
16. Table Of Contents							
(X)	Sec.	Description	Page(s)	(X)	Sec.	Description	Page(s)
Part I - The Schedule				Part II - Contract Clauses			
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	17
X	B	Supplies or Services and Prices/Costs	3	Part III - List Of Documents, Exhibits, And Other Attachments			
X	C	Description/Specs./Work Statement	4	X	J	List of Attachments	36
	D	Packaging and Marking		Part IV - Representations And Instructions			
X	E	Inspection and Acceptance	11		K	Representations, Certifications, and Other Statements of Offerors	
X	F	Deliveries or Performance	12		L	Instrs., Conds., and Notices to Offerors	
X	G	Contract Administration Data	13		M	Evaluation Factors for Award	
X	H	Special Contract Requirements	15				
Contracting Officer Will Complete Item 17 Or 18 As Applicable							
17. <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. Name And Title Of Signer (Type Or Print) Kenneth Lampkin Program Manager Explo Systems, Inc.				20A. Name Of Contracting Officer KIM M. JONES KIM.M.JONES1@US.ARMY.MIL (309) 782-0571			
19B. Name of Contractor  (Signature of person authorized to sign)				19c. Date Signed 28 Mar 2010		20B. United States Of America By  (Signature of Contracting Officer)	
				20C. Date Signed 24 Mar 2010			

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SHIN W52P1J-10-C-0025 MOD/AMD	Page 2 of 36
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Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

SECTION A - SUPPLEMENTAL INFORMATION

1. THIS AWARD WILL RESULT IN A FIRM-FIXED PRICE CONTRACT FOR THE DEMILITARIZATION OF 450,000 CHARGE, PROPELLING, 155MM, M119A2, DODIC D533, NSN: 1320-01-093-6856 AT A UNIT PRICE OF \$6.45 FOR A TOTAL PRICE OF \$2,902,500.00.

2. THIS AWARD CONTAINS FOUR (4) OPTIONS WITH THE FOLLOWING ORDERING PERIODS:

ORDERING PERIOD 1: 1 OCT 2010 - 30 SEP 2011

ORDERING PERIOD 2: 1 OCT 2011 - 30 SEP 2012

ORDERING PERIOD 3: 1 OCT 2012 - 30 SEP 2013

ORDERING PERIOD 4: 1 OCT 2013 - 30 SEP 2014

AWARD OF THESE OPTIONS WILL BE AT THE UNIT PRICES SUBMITTED IN EXPLO SYSTEMS, INC.'S PROPOSAL DATED 21 JAN 2010.

3. AMMUNITION WILL BE SHIPPED TO THE CONTRACTOR'S CONUS SITE AT GOVERNMENT EXPENSE WITHIN 90 - 120 DAYS AFTER CONTRACT AWARD. A MONTHLY DELIVERY SCHEDULE WILL BE ESTABLISHED AFTER RECEIPT OF ASSETS AND APPROVAL OF ALL APPLICABLE PLANS.

4. EXPLO SYSTEMS, INC.'S PROPOSAL DATED 21 JAN 2010 IS INCORPORATED BY REFERENCE AT ATTACHMENT 004.

5. ALL TERMS AND CONDITIONS OF SOLICITATION W52P1J-10-R-0005, TO INCLUDE AMENDMENTS 0001, 0002, 0003, 0004, APPLY TO THIS CONTRACT.

*** END OF NARRATIVE A0001 ***

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
A-1 52.204-7000 LOCAL	ONLINE REPRESENTATIONS AND CERTIFICATIONS APPLICATION (ORCA)	JUN/2005

Notice to All Contractors: In a final rule contained in the Federal Acquisition Circular 01- 26 (Item I, FAR Case 2002-24) published in the Federal Register on December 20, 2004, the Federal Acquisition Regulation was amended to require offerors to submit representations and certifications electronically via the Business Partner Network. Offerors shall complete an Online Representations and Certifications Application (ORCA) as soon as possible. This solicitation requires online certifications and representations. Failure to complete the ORCA registration may make the offeror ineligible for award. The ORCA can be found at <http://orca.bpn.gov>.

(End of narrative)

(AS7002)

A-2 52.252-4500 LOCAL	FULL TEXT CLAUSES	APR/2006
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(a) This contract incorporates one or more clauses and provisions by reference, with the same force and effect as if they were set forth in full text. Upon request the Contracting Officer will make their full text available.

(b) The entire body of full text regulatory clauses and provisions are no longer included in solicitations or contracts. These clauses and provisions have the same force and effect as if the entire full text was included in the solicitation/contract. Where text has been removed three asterisks are put in its place (***).

(c) You can view or obtain a copy of all clauses and provisions on the Internet at: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>. Click on command unique first to locate the clause. If it is not located under command unique click on regulatory to find.

(d) All full text clauses have a 6 or 7 as the third digit of the clause number (i.e., AS7000).

(End of narrative)

(AS7001)

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN W52P1J-10-C-0025 MOD/AMD	Page 3 of 36
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Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT								
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS												
0001	SECURITY CLASS: Unclassified												
0001AA	<u>DEMIL OF PROP CHARGE</u> CLIN CONTRACT TYPE: Firm-Fixed-Price NOUN: COM'L DEMIL PROP CHARGES PRON: HI06D200HI PRON AMD: 03 ACRN: AA Funds in the amount of \$2,902,500.00 are provided for the demilitarization of 450,000 prop charges at a unit price of \$6.45. (End of narrative B001) <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> <table><tr><td>DLVR SCH</td><td></td><td>PERF COMPL</td></tr><tr><td><u>REL CD</u></td><td><u>QUANTITY</u></td><td><u>DATE</u></td></tr><tr><td>001</td><td>0</td><td>30-JUN-2011</td></tr></table> \$ 2,902,500.00	DLVR SCH		PERF COMPL	<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>	001	0	30-JUN-2011			\$ 2,902,500.00
DLVR SCH		PERF COMPL											
<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>											
001	0	30-JUN-2011											

<p align="center">CONTINUATION SHEET</p>	<p align="center">Reference No. of Document Being Continued</p> <p align="center">PHIN/SHIN W52P1J-10-C-0025 MOD/AMD</p>	<p align="right">Page 4 of 36</p>
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Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

SECTION C: STATEMENT OF WORK FOR THE DEMILITARIZATION AND DISPOSAL OF SEPARATE LOADING PROPELLING CHARGES

1.0 SCOPE:

1.1 The contractor(s) shall provide all the necessary material, equipment, property, licenses, and personnel to perform demilitarization by resource recovery and recycling for a variety of propelling charges. Open Burning and/or Open Detonation (OB/OD) are not permitted technologies for any end item(s) or component(s) contained in this SOW.

1.2 The scope covers the following type of propelling charge for disposal:

D533 1320-01-093-6856 Chg, Propelling, 155mm, M119A2

2.0 DEFINITIONS/INTERPRETATIONS:

For the purpose of this SOW the following definitions/interpretations apply:

2.1 Chain of Custody- The activities and procedures taken throughout the inspection, re-inspection and documentation process to maintain positive control of Material Potentially Presenting an Explosive Hazard (MPPEH) to ensure the veracity of the process used to determine the status of material as to its explosive hazard. This includes all such activities from the time of collection through final disposition.

2.2 Decontamination - The process of making an item safe for use or handling by unprotected personnel and harmless to all properties and surroundings by destroying, neutralizing, making harmless, or removing energetic/explosives or chemical material clinging to or around it.

2.3 Demilitarization (DEMIL) - The act of removing the military offensive or defensive advantages of ammunition and explosives, which may or may not include the disposal of the item. The term encompasses various approved methods such as mutilation, destruction, or alteration to prevent further use for its originally intended military purpose, including the procedures followed by Explosive Ordnance Disposal (EOD) units, civilian munitions destroyers, and properly certified contract personnel. It applies equally to material in unserviceable or serviceable condition.

2.4 Disposal - End of life tasks or actions for residual materials resulting from demilitarization or disposition operations.

2.5 Disposition - The process of reusing, recycling, converting, redistributing, transferring, donating, selling, demilitarizing, treating, destroying, or fulfilling other life-cycle guidance, for DoD property.

2.6 Documentation of the Explosives Safety Status of Material - Documentation attesting that material: (1) does not present an explosive hazard and is consequently safe for unrestricted transfer within or release from DoD control, or (2) is MPPEH, with the known or suspected explosive hazards stated, that is only transferable or releasable to a qualified receiver. This documentation must be signed by a technically qualified individual with direct knowledge of: (1) the results of both the materials 100 percent inspection and 100 percent re-inspection or of the approved process used and the appropriate level of re-inspection, and (2) the veracity of the chain-of-custody for the material. This signature is followed by the signature of another technically qualified individual who inspects the material on a sampling basis (sampling procedures are determined by DoD entity that is inspecting the material).

2.6.1 Safe - Documented as not presenting an explosive hazard, and consequently safe for unrestricted transfer or release. (Note: Material that has been documented as safe is no longer considered MPPEH provided the chain of custody remains intact.)

2.6.2 Hazardous - Documented as to the explosive hazards the material is known or suspected to present, and consequently transferable or releasable only to a qualified receiver. When the initial inspection allows material to be documented as to the hazard the material is known or suspected to present, a second independent inspection is not required.

2.7 Explosive Hazard - A condition where danger exists because explosives are present that may react (e.g., detonate, deflagrate) in a mishap with potential unacceptable effects (e.g., death, injury, damage) to people, property, operational capability, or the environment.

2.8 Explosives Safety - A condition where operational capability and readiness, people, property, and the environment are protected from the unacceptable effects or risks of potential mishaps involving military munitions.

2.9 Incineration - Combustion of Propellant, Explosive and/or Pyrotechnics (PEP) or explosive ordnance with control of combustion air, containment of the combustion reaction in an enclose device, and control of emission of gaseous and particulate combustion products IAW local, State, and Federal regulations.

<p align="center">CONTINUATION SHEET</p>	<p align="center">Reference No. of Document Being Continued</p> <p align="center">PHIN/SHIN W52P1J-10-C-0025 MOD/AMD</p>	<p align="center">Page 5 of 36</p>
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Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

2.10 Material Potentially Presenting an Explosive Hazard (MPPEH) - Material potentially containing explosives or munitions (e.g., munitions containers and packaging material; munitions debris remaining after munitions use, demilitarization, or disposal; and range-related debris); or material potentially containing a high enough concentration of explosives such that the material presents an explosive hazard (e.g., equipment, drainage systems, holding tanks, piping, or ventilation ducts that were associated with munitions production, demilitarization or disposal operations). Excluded from MPPEH are munitions within DoDs established munitions management system and other hazardous items that may present explosion hazards (e.g., gasoline cans, compressed gas cylinders) that are not munitions and are not intended for use as munitions.

2.11 Mutilation - The act of making unfit for its intended purpose by cutting, tearing, scratching, crushing, breaking, punching, shearing, burning, neutralizing, etc.

2.12 Open Burn (OB) An open-air combustion process by which excess, unserviceable, or obsolete munitions are destroyed to eliminate their inherent explosive hazards.

2.13 Open Detonation (OD) An open-air process used for the treatment of excess, unserviceable or obsolete munitions whereby an explosive donor charge initiates the munitions being treated.

2.14 Qualified Receiver - Entities that have personnel who are, or an individual who is, trained and experienced in the identification and safe handling of used and unused military munitions, and any known or potential explosive hazards that may be associated with the MPPEH they receive; and are licensed and permitted or otherwise qualified to receive, manage, and process MPPEH.

2.15 Recycle - The reuse of the item/material for an entirely different purpose than originally designed/intended and normally requiring some form of reprocessing.

2.16 Reutilization - The reuse of the material, or any component for its original intended purpose. Reuse will be accepted on a case-by-case basis when it supports United States, Department of Defense approved munitions programs.

2.17 Venting - Exposing any internal cavities of MPPEH, to include training or practice munitions (e.g., concrete bombs), using Department of Defense Explosive Safety Board or Department of Defense Component approved procedures, to confirm that an explosive hazard is not present.

3.0 REQUIREMENTS:

3.1 The contractor shall establish a program for the receipt, storage, handling and demilitarization and disposal of propelling charges delivered to the contractor by the Government at a contractor site(s) in IAW specific guidance provided in this SOW.

3.2 Once demiled, all PEP, explosive materials, and hazardous materials that can be successfully recovered and recycled may be recovered for non-military use by the contractor; otherwise, the material shall be treated in an environmentally safe and approved manner at contractor expense.

4.0 DEMILITARIZATION AND DISPOSAL PLAN:

4.1 An ammunition demilitarization and disposal plan shall be prepared by the contractor. The plan shall detail all intended actions/processes to be utilized by the contractor in completing the required demilitarization tasks stated in this SOW.

4.1.1 A safety site plan shall be prepared by the contractor. The safety site plan must include operational, storage and receiving structures and sites as stated in DoD 4145.26M.

4.2 The plan will be organized in operational sequence, and shall address operational, safety, security, environmental, and inspection requirements particular to each process/operation. The plan shall be include as a minimum:

4.2.1 Purpose State the purpose of the plan, which is to identify safe, secure, and environmentally acceptable demilitarization and disposal procedures/processes for the propelling charges as stated in 1.3.

4.2.2 Item Identification Incorporate a list of all munitions addressed by the plan to include; Part Number(PN), National Stock Number (NSN), Department of Defense Identification Code (DODIC), and nomenclature. Describe the configuration of the munitions with attached illustrations (Government & contractor) and include munitions characterization documentation.

4.2.3 Demilitarization and Disposal Alternatives List alternate methods of demilitarization and disposal for each primary demil process/procedure contained in the plan.

4.2.4 Safety Summarize the safety hazards that are unique to the munitions and procedures/processes for the munitions contained in the plan. Include the precautions and procedures that must be employed during the demilitarization and disposal or reuse operations. Provide a timeline for reclaimed or residual material final disposition and any specific hazards associated with retaining/reusing reclaimed material. Explain the approach to comply with the Process Safety management standard in 29 CFR 1910.119. List all hazardous

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materials for the munitions to be processed; PEP, heavy metals, carcinogens, etc. and the quantity of each. Include the safety site plan for operational, storage and receiving structures and sites that demonstrates compliance with applicable DoD Explosives Safety Standards.

4.2.5 Security Detailed security requirements should be contained in a separate security plan for the facility as required by DoD 5100.76M. Summarize the security requirements that are unique to the munitions and procedures/processes for the munitions/components contained in the plan.

4.2.6 Environmental Include an analysis describing the environmental consequences and each demilitarization and disposal procedure/process, for both primary and alternate(s). Identify the hazardous waste streams expected to result from each demil process and discuss treatment, storage, and/or disposal of those waste streams. Indicate what permit or license is required to support demil operations and provide a copy to the PCO upon request.

4.2.7 Reference Documents The Demilitarization and Disposal Plan shall list and identify references and technical data specifically applicable to the plan.

4.3 The initial submission of the plan shall be submitted to the Government not later than forty-five (45) days prior to initiation of operations.

4.4 The Government will review and provide initial comment as to the acceptability of the plan within thirty (30) days of initiation of operations. Subsequent comments to the plan will be provided throughout the review and comment process.

4.5 Final acceptance of the demilitarization plan is contingent upon the contractor demonstrating to the Government representatives designated by the Procuring Contracting Officer (PCO) and the cognizant Defense Contract Management Agency (DCMA) representatives, its ability to completely demilitarize the propelling charge listed in para. 1.3. An on-site process demonstration(s) IAW the demilitarization plan may be conducted.

4.6 After acceptance of the plan, any subsequent changes to the plan by the contractor shall be coordinated with, and concurred by, the PCO.

4.7 NOTE: Army review of the contractors technical proposal, any of its standard operating procedures, or any of its other technical documentation is intended to ensure only that the contractor has the technical ability to perform the contract. Army review is not intended to be a warranty that the contractors plans, operations, etc., have met all required health, safety, and environmental laws and regulations. It remains the contractors responsibility to ensure compliance with all requirements of law and regulation, including, to the extent applicable, OSHA requirements. Additionally, as the Army does not create the actual working conditions, the Army assumes no responsibility for compliance with any such health, safety, and environmental laws and regulations.

5.0 SAFETY

5.1 The Contractor shall allow the Government access to the contractors facilities, personnel, and safety program documentation for the purpose of performing a pre-award safety and security site survey pursuant to DFARS 252.223-7002, Safety Precautions for Ammunition and Explosives, May 1994, if deemed necessary by the Government. Additionally, the contractor will notify the Government of any change in the location of performance of this contract in compliance with DFARS 252.223-7003, Change in Place of Performance - Ammunition and Explosives.

5.2 The contractor shall comply with the requirements of DoD 4145.26M, DoD Contractor Safety Manual for Ammunition and Explosives as applicable to the contractor planned process and/or operations. Nothing in the Scope of Work relieves the contractor of the responsibility for compliance with Federal, State, and local laws, ordinances, codes, and regulations, including applicable portions of Occupational Safety and Health Administration (OSHA) requirements.

5.2.1 The contractor shall comply with the requirements of DoD 4145.26M for their safety site plan, and when requested, submit site plans for approval in format provided by the government.

5.3 The Contractor shall provide to the ACO within 30 days of receipt one copy of any report concerning safety or occupational health at the demil location issued by a Governmental agency. The Contractor shall also provide one copy to the ACO of his response to the report.

5.4 Contractors shall provide to the ACO monthly copies of their OSHA logs.

5.5 Special precautions are required when handling pentachlorophenol (PENTA) treated packing materials and pallets. The U.S. Army Environmental Hygiene Agency Technical Guide No.146, Sept. 30, 1991, Subject: "Pentachlorophenol-Treated Materials", may be used as an informational guide. The services of a professional industrial hygiene/occupational medicine specialist is advised.

5.6 Training - The contractor shall use trained and certified employees for this effort, in compliance with DoD 4145.26M and applicable

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local, State, and Federal ordinances, laws and construction codes.

5.7 The contractor shall notify the ACO of any unexpected explosion, fire or other process upset involving DoD personnel or material. Specific formats are contained in DoD 4145.26M.

5.8 When more than one Permissible Exposure Levels (PELs) exists, the contractor shall notify the government when they do not monitor and protect the most restrictive of OSHA, American College of Governmental Industrial Hygienists (ACGIH) or other industry consensus standard.

6.0 DECONTAMINATION

6.1 Explosive/energetic contaminated scrap and metal components/material generated from the demilitarization of the propelling charges will be treated/decontaminated utilizing a contractor process that will render them non-explosive, chemically stable, and otherwise harmless to the environment.

6.2 Scrap and metal components/material which may be released to the general public, will meet the requirements of DOD 6055.09-STD, DoD Ammunition and Explosives Safety Standards, Chapter 16. The contractors ammunition demilitarization and disposal plan, as required by paragraph 4.0 of this SOW, will cover decontamination levels and explosives safety status.

6.3 Explosive-contaminated solid waste material, if any, shall be collected, placed in closed containers, properly mark, and expeditiously removed from the areas for treatment and/or disposal.

6.4 The contractor shall develop and maintain a system to maintain accountability of decontaminated material, to allow ready identification of when material was decontaminated, by whom and disposition.

7.0 PROPELLANT REQUIREMENTS

7.1 Propellant recovered from the disassembly operation shall be kept separate by propellant type and lot until stability testing has been completed to determine final disposition. Thereafter, propellant will be retained by type and lot number.

7.2 Each propellant lot shall be tested for stability content except those lots that will be destroyed within thirty calendar days from disassembly.

7.3. High Pressure Liquid Chromatography (HPLC), Near IR (NIR), and/or Thin Layer Chromatography (TLC) testing methods will be used for determining residual effective stabilizer. The contractor shall perform analysis of each propellant lot and determine the total percentage of the stabilizer to include daughter products for diphenylamine stabilized propellants.

7.4. The contractor shall determine, and document, the percentage of each stabilizer in the specific propellant formulation. Stabilizers are specific to propellant formulation and may include but are not limited to Diphenylamine (DPA), Ethyl Centralite, Akardite II, Methyl Centralite, 2-Nitrosodiphenylamine or combinations thereof. The Propellant Description Sheet (PDS) for the lot will identify the specific stabilizer present in the lot. For diphenylamine, the contractor shall determine the total amount of DPA which includes the following compounds:

4,4'-Dinitro-diphenylamine
 4-Nitro-diphenylamine
 N-Nitroso-diphenylamine
 Diphenylamine
 2,4'-Dinitro-diphenylamine
 2,2'-Dinitro-diphenylamine
 2,2-Dinitro-diphenylamine
 2-Nitro-diphenylamine

Total stabilizer reported for DPA stabilized propellants shall include DPA and all daughter products less N-Nitroso-diphenylamine. NOTE: Both the Near-IR and TLC provide the total stabilizer (less N-Nitroso-diphenylamine) in their data output and will not break-out the daughter products individually. Therefore when using the Near-IR or TLC, only the total result is reported and no further breakout of individual daughter products is required.

7.5 Stability category of the propellant analyzed will be assigned according to SB742-1. Propellant lots tested and assigned "A", or "C", and otherwise suitable can be reused/recycled.

7.6 Propellant tested and assigned category "D", or very small quantities, or otherwise not suitable for reuse/recycling will be disposed of within 60 days in an environmentally safe manner at the contractor's expense.

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7.7. The contractor shall report the results of propellant stability testing IAW DI- NDTI-80809B. The stabilizer analysis results shall be documented by the propellant lot number.

8.0 SECURITY

8.1 Security - The contractor shall comply with all existing and pertinent Federal, State, and local laws, ordinances, codes, and regulations for the safeguarding and handling of sensitive arms and ammunition in performing any task awarded under any resultant contract.

8.2 The contractor shall comply with the security requirements of DoD 5100.76-M for storage and control of sensitive items. All items designated as sensitive and assigned a risk category IAW DoD 5100.76M or any other regulation, retain that status until such time as demilitarization has been accomplished. This also applies to recovered components, if they have an assigned risk category.

9.0 ENVIRONMENTAL

9.1 The contractor shall ensure that all aspects of the program are accomplished in an environmentally safe manner and in compliance with all Federal, State, and local environmental laws, ordinances, codes, and regulations. Vigilance should be exercised to be aware of changes in current Federal, State, and local regulations in order to be in compliance at all times.

9.2 The contractor shall ensure strict adherence to applicable laws and regulations including but not limited to the Clean Air Act and Clean Air Act Amendments, 42 USC sect 7401 et seq, Clean Water Act , 33 USC sect 125 et seq, and Resources Conservation Recovery Act (RCRA) Solid Waste Disposal Act , 42 USC sect 690 et seq).

9.3 The contractor shall ensure that any hazardous waste generated by the demilitarization process is disposed in an environmentally safe manner. The contractor shall submit documentation to the PCO to certify destruction of the waste. The documentation shall be in the contractors format and include, as a minimum, a copy of the manifest and the name, location, the applicable Federal/State identification of the company/organization responsible for disposal of the waste, the disposal date and a Statement certifying disposal. All disposal operations will be performed IAW all applicable Federal, State and local environmental laws and regulations.

9.4 Processes that utilize Class 1 Ozone-Depleting Substances shall not be employed.

10.0 QUALITY ASSURANCE.

10.1 The contractor shall maintain a Quality Assurance Program.

10.2 The Government may, at any time, have tests performed to determine the effectiveness of the contractor's process in accomplishing the stated objectives of removal of explosive contamination from ammunition components and removal of hazardous materials and/or contaminants from packing materials.

10.3 Quality Acceptance: Performance based tasks are identified in attached Performance Requirements Summary. If the contractor does not meet the quality levels set forth in the performance requirement summary attached, the remedies listed in the performance requirement summary shall occur.

11.0 GOVERNMENT FURNISHED MATERIAL

11.1 The Class V materials listed in this solicitation are excess and/or obsolete munitions, therefore complete Technical Data Packages (TDPs) may not be available. The Government has made a reasonable and prudent search of all available technical databases and historical archives to obtain the end item drawings, any major component drawings, and any associated characterization data.

11.2 Available technical data will be included in the solicitation from the Government.

11.3 Government Furnished Material (GFM) - Ammunition shipped to a contractors site will be shipped at Government expense with available historical data, which may include Ammunition Data Cards, DD Form 1650. Due to the age and/or storage background of some of the assets, no historical data may be available. The method of transportation will be the most economical as determined by the Government. The assets will be shipped by the Government as hazardous material. Initial delivery will be within ninety (90) to one hundred twenty (120) days after contract award.

11.4 As stated previously, the Government Furnished Material listed in this solicitation are excess and/or obsolete munitions in the Resource Recovery Disposition Account. These assets range in physical condition from "like new" to unusable for their original intended purpose, (Condition Codes A, B, C, E, F, G, and/or H as detailed in SB742-1). The Government does not guarantee the physical, chemical, dimensional, or performance characteristics of any, or all, assets contained in this solicitation.

11.5 Ammunition will not be shipped to the contractor's site unless they have a site plan approved by the Government safety and technical representative.

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12.0 AMMUNITION RECEIPT/STORAGE/INVENTORY

12.1 Secure Storage Facilities - The contractor shall, upon receipt of individual lots of ammunition, ensure that adequate storage facilities are available to secure all Government property which may be provided to accomplish any task described herein. Storage facilities must meet requirements of DOD 5100.76 for categorized sensitive ammunition. Upon receipt, a check shall be made by the contractor to verify that all items shipped, or delivered, have been received. The contractor shall report inventory discrepancies to the PCO and cognizant DCMA representative in contractor format within 72 hours with a follow up report in writing. The report shall fully address the discrepancy and will be verified by the DCMA representative.

12.2 Record Keeping - The contractor shall maintain adequate records for inspection by Government personnel confirming the date each lot and/or sub lot was demilitarized, the type/quantity of components and material recovered, and the method of disposal or reuse.

12.3 The contractor shall provide adequate, safe, and secure storage of the components and material until such time as they are sold or disposed of through an approved process at contractor expense.

13.0 TRANSFER OF TITLE/END-USE CERTIFICATES/DEMILITARIZATION CERTIFICATES

13.1 The contractor shall take title to all material/components, packing, banding, pallets , and all other packing materials arising out of the demilitarization of the propelling charges.

13.2 Title to the recovered propellant shall pass to the contractor upon completion of all required demil operations as documented in the contractor technical proposal and demilitarization proposal plan.

13.3 A certification Statement attesting to completion of all demil operations by a contract official will be on the Certificate of Destruction (COD). The COD shall identify the ammunition item(s) by item description, the number of rounds and weight of rounds completely demilitarized. The contractor must add certification Statement I certify that (identify items) were demilitarized IAW (cite specific instructions(cite contract reference section) (appendix and item number) that were compiled within the DOD 4160.21-M-1 and other applicable regulations).

13.4 Title to the recovered material/components shall pass to the contractor upon Government inspection and acceptance. At that point, the contractor assumes complete responsibility and liability for the disposition completion of the recovered materials/components. The contractor shall hold the Government harmless from any liability for damages (consequential or otherwise) or injuries resulting from the contractors use or disposition of the components or materials. Multiple line items may be submitted on a single invoice submitted to the Government and via Wide Area Work Flow.

13.5 All metallic components/packaging(excluding mutilated/inert scrap), explosives and propellant offered for resale shall be to licensed/permitted buyers, as applicable, and shall require End Use Certification as a condition of the sale.

13.6 End Use Certification shall consist of a signed Statement from the purchaser as follows: "It is hereby certified that will comply with all applicable Federal, State, and local ordinances, and regulations with respect to the care , handling, storage and shipment, resale, export and other use of the material, hereby purchased, and that he/she as a user of, or dealer in, said materials is capable of complying with all applicable Federal, State, and local laws. This certification is made in accordance with and subject to the penalties of Title 18, Section 1001, of the United States Code, Crimes and Criminal Procedures".

13.7 The contractor shall generate Material Safety Data Sheets (MSDS), as applicable, in accordance with 29 CFR 1910.1200 for the hazardous/energetic material that will be sold to qualified buyers.

13.8 The contractor shall obtain Final Hazard Classification from the Department of Transportation, in accordance with 49 Code of Federal Regulations, for all explosive material/sub-components that will be sold to qualified buyers. Additionally, this requirement flows down to any subcontractor requiring Final Hazard Classifications.

13.9 All metallic scrap and packaging/packing material generated by the demilitarization process(es), and offered for resale, will require inert certification as a condition of sale. Disposal of all material must take place within 12 months after demil is complete. Contractor must inform Government of purchaser. These items may not be sold as or marketed as meeting DOD specifications.

13.10 Certification will consist of a statement by two technically trained and qualified individuals who have each performed an independent 100% inspection to ensure metallic scrap and packaging/packing material generated from demilitarization process(es), and offered for resale, is inert. Certification statement will read: We certify and verify that the Ammunition Explosives or Dangerous Articles(AEDA) residue, Range Residue and/or Explosive Contaminated property listed has been 100% properly inspected by us and to the best of our knowledge and belief, are inert and/or free of explosives or other dangerous materials. Inert Certification requires dual signatures. The first inspectors signature is that of the certifier and the second inspectors signature is the verifier. The verifier must be a U.S. citizen.

14.0 PROGRESS REPORTS

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PROGRESS REPORTS - A monthly progress report delineating both quantity and short tons will be provided to the Government by the tenth of each month. Reports are to be provided as long as there are tasks being executed under this contract.

14.1 Contractor shall prepare a monthly progress report to include, as a minimum, the following information: identify by both quantity and short ton the ammunition disassembled during the reporting period--include the National Stock Number (NSN), Part Number (PN) and Department of Defense Identification Code (DODIC) . Only the quantity of complete rounds completely demilitarized during the period is to be reported. Partial rounds or rounds awaiting additional processing are not to be reported until meeting the definition of demilitarization.

14.2 Forecast for demilitarization of propelling charges remaining on the contract/order.

14.3 List the disposition of all material/components, packing, banding, pallets, and all other packing materials arising out of the demilitarization of the propelling charges within the 12 month period as required by SOW Para 13.9.

14.4 The monthly report shall contain the percentage of all material/components, packing, banding, pallets, and all other packing materials recycled, reused or recovered.

*** END OF NARRATIVE C0001 ***

For Local Clauses See: <http://www.afsc.army.mil/ac/aaais/ioc/clauses/index.htm>

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
C-1	52.225-4502 (RICC)	STATEMENT OF WORK-ENGLISH LANGUAGE DOCUMENTATION	FEB/1992

All contractor prepared material to be furnished under this contract shall be written in the English language.

(End of statement of work)

(CS7103)

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SECTION E - INSPECTION AND ACCEPTANCE

For Local Clauses See: <http://www.afsc.army.mil/ac/aaais/ioc/clauses/index.htm>

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://farsite.hill.af.mil/VFFARA.HTM> or <http://farsite.hill.af.mil/VFDPARA.HTM> or <http://farsite.hill.af.mil/VFAFARA.HTM>

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
E-1	52.246-4	INSPECTION OF SERVICES--FIXED-PRICE	AUG/1996

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SECTION F - DELIVERIES OR PERFORMANCE

1. ALL ACTIONS REQUIRED TO EFFECT THE MOVEMENT OF AMMUNITION FROM THE PROPOSED PLACES OF PERFORMANCE TO ANY REVISED PLACES OF PERFORMANCE, SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR AND SHALL BE EXECUTED IAW ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS. THE CONTRACTOR SHALL COMPLY WITH DOD 5100.76-M IN TRANSIT SECURITY PROVISIONS AND ROUTE MATERIAL WITH A MILITARY TRAFFIC MANAGEMENT COMMAND (MTMC) APPROVED MUNITIONS CARRIER. THE CONTRACTOR MAY PROVIDE ROUTING COORDINATION AND EMPLOY A FREIGHT FORWARDING OPERATION THAT WILL COMPLY WITH THE AFOREMENTIONED DOD TRANSPORTATION REQUIREMENTS.
2. THE CONTRACTOR SHALL COORDINATE THIS EFFORT WITH THE APPLICABLE DCMA OFFICE TO ENSURE THAT THE MUNITIONS ARE PROPERLY ACCOUNTED FOR AND ADEQUATE RECORDS ARE MAINTAINED.
3. THE CONTRACTOR SHALL COMPLY WITH ALL APPLICABLE DEPARTMENT OF TRANSPORTATION AND FEDERAL, STATE AND LOCAL ENVIRONMENTAL LAWS AND REGULATIONS ON TRANSPORTING, STORAGE AND TREATMENT OF MILITARY MUNITIONS CLASSIFIED AS WASTE AND/OR MATERIAL.
4. CONTRACTOR SHALL BE RESPONSIBLE FOR ANY ADDITIONAL TRANSPORTATION, PACKAGING, OR STORAGE CHARGES THAT MAY HAVE RESULTED FROM THIS CHANGE IN PLACE OF PERFORMANCE.
5. THIS DOES NOT CONSTITUTE GOVERNMENT ACCEPTANCE OF DEMIL PLANS AND/OR REVISIONS RESULTING FROM THE CHANGES IN PLACE OF PERFORMANCE.

*** END OF NARRATIVE F0001 ***

For Local Clauses See: <http://www.afsc.army.mil/ac/aaais/ioc/clauses/index.htm>

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://farsite.hill.af.mil/VFFARA.HTM> or <http://farsite.hill.af.mil/VDFARA.HTM> or <http://farsite.hill.af.mil/VFAFARA.HTM>

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
F-1	52.242-15	STOP-WORK ORDER	AUG/1989
F-2	52.242-17	GOVERNMENT DELAY OF WORK	APR/1984

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SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ ITEM	OBLG ACRN	STAT	ACCOUNTING CLASSIFICATION	JOB ORDER NUMBER	ACCOUNTING STATION	OBLIGATED AMOUNT
0001AA	HI06D200HI A1014039HGHI	AA	2	21 02034000001B1B05P421040252H S28017	ORM344	W52P1J \$	2,902,500.00
TOTAL							\$ 2,902,500.00

SERVICE NAME	TOTAL BY ACRN	ACCOUNTING CLASSIFICATION	ACCOUNTING STATION	OBLIGATED AMOUNT
Army	AA	21 02034000001B1B05P421040252H S28017	W52P1J	\$ 2,902,500.00
TOTAL				\$ 2,902,500.00

ACRN	EDI ACCOUNTING CLASSIFICATION
AA	21 101220340000 S28017 01B1B0500000000000252H ORM344S28017 W52P1J

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

	Regulatory Cite	Title	Date
G-1	52.232-4501	US ARMY CONTRACTING COMMAND, ROCK ISLAND CONTRACTING CENTER, IMPLEMENTATION OF WIDE AREA WORKFLOW RECEIPT AND ACCEPTANCE (WAWF-RA) FOR ELECTRONIC PROCESSING OF RECEIPT/ACCEPTANCE DOCUMENTS AND PAYMENT	AUG/2008

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1. To implement DFARS Clause 252.232-7003, "ELECTRONIC SUBMISSION OF PAYMENT REQUESTS", the U.S. Army Contracting Command, Rock Island Contracting Center, uses Wide Area Workflow Receipt and acceptance (WAWF-RA) to electronically process contractor requests for payment. This application allows DOD contractors to submit and track invoices and receipt/acceptance documents electronically.
 2. The contractor is required to use WAWF-RA when processing invoices and receiving reports under this procurement action. Submission of hard copy DD250/invoices will no longer be accepted for payment except as provided in paragraph 3. of this clause.
 3. The Contractor may submit a payment request using other than WAWF-RA only when:
 - (a) The Contracting Officer authorizes use of another electronic form. With such an authorization, the Contractor and the Contracting Officer shall agree to a plan, which shall include a timeline, specifying when the Contractor will transfer to Wide Area Workflow-Receipt and Acceptance;
 - (b) DoD is unable to receive a payment request in electronic form; or
 - (c) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor. In such cases, the Contractor shall include a copy of the Contracting Officer's determination with each request for payment.

4. INSTRUCTIONS:

(a) INITIAL: The contractor shall register to use WAWF at <https://wawf.eb.mil> . There is no charge to use WAWF. All questions relating to system setup and vendor training can be directed to the help desk at Ogden, UT. Their number is 1-866-618-5988. Web-based training for WAWF is also available at <http://www.wawftraining.com/> .

(b) DESCRIPTION OF WAWF-RA TYPES OF INVOICE/RECEIVING REPORTS:

- 1) Progress Payment (For use under contractually authorized Progress Payments)
- 2) Performance Based Payment (For use under contractually authorized Performance Based Payments)
- 3) "COMBO" Invoice/Receiving Report (For Supply CLINS including ammunition items and ammunition related items)
- 4) "2-in-1" (For Service CLINS only)

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5) Cost Voucher (For use with Cost Reimbursement contracts, Time and Material or Labor Hour contracts containing FAR Clauses 52.216-7, "Allowable Cost and Payment" or 52.232-7, "Payments under Time-and-Materials and Labor-Hour Contracts")

(c) CODES: THE FOLLOWING CODES ARE REQUIRED TO ROUTE CONTRACTOR INVOICES THROUGH WAWF:

Contractor Cage Code* _____

Pay DoDAAC (Department of Defense Activity Address Code)**:

Issue DoDAAC: W52P1J

Admin DoDAAC*:

Inspect by DoDAAC*:

Contracting Officer*

Ship to Code*: (Not Required for Services)

*Required fields in WAWF. Cage Code, Paying, Issuing, and Administering DoDAACS and the assigned Contracting Officer may be found on the face of the award document. When the contract administration is assigned to DCMA; the contractor should contact the assigned Administrative Contracting Officer to obtain the applicable "inspect by" DoDAAC. If contract administration is retained by the Issuing/Procuring Activity; the contractor should contact the assigned Procuring Contracting Officer to obtain the applicable "inspect by" DoDAAC.

(d) SPECIAL ACCOUNTABILITY REQUIREMENTS FOR AMMUNITION AND AMMUNITION RELATED ITEMS (Energetic and Inert)

When items are ready for shipment, the contractor shall prepare and include with each shipment, a receipt and accountability document describing the contents of the shipment. Its purpose is to ensure proper receipt and accountability is maintained for ammunition and ammunition related items. In accordance with DFARS 252.246-7000, contractor submission of the material inspection and receiving information required by Appendix F of the DFARS by using the Wide Area Work Flow (WAWF) electronic form fulfills the requirement for a material inspection and receiving report (DD Form 250). Two copies of the receiving report (paper copies of either the DD Form 250 or the WAWF report that reflect the exact contents of each conveyance) shall be distributed with each shipment, in accordance with Appendix F, Part 4, F-401, and Table 1 of the DFARS. In addition to including a copy of the receipt and accountability document with each shipment, the contractor shall send an electronic copy to the Contracting Officer within one day of shipment.

If the volume of the shipment precludes the use of a single car, truck, or other vehicle, a separate receipt and accountability document shall be prepared and included in the shipment. If the shipped to, marked for, shipped from, mode of shipment, contract quality assurance and acceptance data are the same for more than one shipment made on the same day under the contract, the contractor may prepare one document to cover all shipments; however, each document shall be annotated to reflect the partial of any item on a single vehicle, such as partial 1 of 3, 2 of 3, and 3 of 3 and the document accompanying each shipment shall identify the unique contents of each vehicle, i.e., lot, quantity per lot, etc. For proper receipt and accountability, the WAWF electronic document shall contain, at a minimum, the following information for each shipment:

The "Header Tab" of WAWF must identify the Prime contractor's name and CAGE Code.

Besides the financial requirements of "Unit Price", "Unit of Measure", "Qty. Shipped", the extended dollar "Amount", and the ACRN, the "Line Item" tab of WAWF must identify:

Contract Number
Delivery Order number (if applicable)
Shipment Number
Invoice Number
Item Number (CLIN Number from contract)
Stock Number (NSN)

In the "Description" field of the WAWF document, the MILSTRIP requisition document number and the ammunition Lot and serial number (if applicable) must be annotated for the quantities shipped related to this particular invoice.

NOTE: If there are multiple Lot numbers or multiple MILSTRIP requisition document numbers, each Lot number and MILSTRIP requisition number must be identified separately.

(End of clause)

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
H-1	52.245-4506 LOCAL	GOVERNMENT FURNISHED PROPERTY	OCT/1994
Schedule of Government Furnished Property			

(a) Pursuant to the Government Property clause in Section I of this contract, the Government shall furnish F.O.B. contractor's place of performance, the Government-owned property listed in attachment number -1- of this document for use in the performance of this contract.

(b) The property shall be delivered in accordance with the schedule set forth in attachment number 002 of this document.

(c) If the property is not received in accordance with the schedule set forth in attachment number 002 of this document, the Contractor shall immediately notify the Contracting Officer in writing.

(d) The quantity of Government Furnished Material (GFM) which is offered herein is contingent upon award of the total quantity solicited herein. Should the actual quantity awarded be less than the total quantity solicited, the Government retains the right to unilaterally reduce the quantity of GFM which will be provided under any resultant contract. Any said reduction shall be on a pro-rata basis.

(End of clause)

(HS6075)

H-2	52.223-4556 LOCAL	DISPOSAL OF REMAINING GFM AMMUNITION AND EXPLOSIVES FOLLOWING CONTRACT COMPLETION OR TERMINATION	JUN/1999
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The following requirements apply to Government-Furnished Material (GFM) Ammunition and Explosives (A&E). All A&E are potentially hazardous and tend toward less stability with the passage of time. In particular, A&E containing nitrocellulose-based components (such as propellants) or nitrate ester-based components (such as nitroglycerine) loses stability with time.

(a) Within 30 days of completion or termination of the contract, the contractor shall request disposition instructions from the contracting officer for any residual GFM A&E, regardless of condition. The condition of all such GFM A&E, identified by contract number, and NSN or part number, will be indicated in the request. The contracting officer shall provide disposition instructions to the contractor within 90 days of the request.

(b) If the contractor has the capability to dispose of these materials at its facility and is instructed to dispose of the materials through disposition instructions, the contractor shall provide notification to the contracting officer of the destruction of the materials. The notification shall include the contract number, NSN or part number, lot number, nomenclature, and quantity or weight of materials destroyed, and the date of destruction.

(c) The contractor shall manage (to include the treatment, storage and disposal of) all GFM A&E in accordance with all applicable state and federal regulations.

(End of clause)

(HS7500)

H-3	52.242-4591	CONTRACTOR PERFORMANCE INFORMATION	DEC/2005
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The successful offeror/bidder under this solicitation is advised that after contract award its performance under this contract will be subject to an assessment(s) in accordance with FAR 42.15 and AFARS 5142.1503-90. The Department of Defense (DoD) Contractors Performance Assessment Reporting System (CPARS) will be used to maintain the performance report(s) generated on this contract. The rating system to be used in this assessment shall be as follows:

Exceptional (Dark Blue) Performance meets contractual requirements and exceeds many to the Governments benefit. The contractual performance of the element or sub element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.

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Very Good (Purple) Performance meets contractual requirements and exceeds some to the Governments benefit. The contractual performance of the element or sub element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

Satisfactory (Green) Performance meets contractual requirements. The contractual performance of the element or sub element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.

Marginal (Yellow) Performance does not meet some contractual requirements. The contractual performance of the element or sub element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractors proposed actions appear only marginally effective or were not fully implemented.

Unsatisfactory (Red) Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub element contains serious problem(s) for which the contractors corrective actions appear or were ineffective.

The evaluation procedures to be used in this assessment, which include coordination with the contractor, are detailed in AFARS 5142.1503-90.

(End of clause)

(HS7015)

H-4 52.247-4545 PLACE OF CONTRACT SHIPPING POINT, RAIL INFORMATION
(RICC)

MAY/1993

The bidder/offeror is to fill in the Shipped From address, if different from Place of Performance indicated elsewhere in this section.

Shipped From:

For contracts involving F.O.B. Origin shipments furnish the following rail information:

Does Shipping Point have a private railroad siding? ____ YES ____ NO

If YES, give name of rail carrier serving it: _____

If NO, give name and address of nearest rail freight station and carrier serving it:

Rail Freight Station Name and Address: _____

Serving Carrier: _____

(End of clause)

(HS7600)

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SECTION I - CONTRACT CLAUSES

For Local Clauses See: <http://www.afsc.army.mil/ac/aaais/ioc/clauses/index.htm>

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://farsite.hill.af.mil/VFFARA.HTM> or <http://farsite.hill.af.mil/VFDFARA.HTM> or <http://farsite.hill.af.mil/VFAFARA.HTM>

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
I-1	52.202-1	DEFINITIONS	JUL/2004
I-2	52.203-3	GRATUITIES	APR/1984
I-3	52.203-5	COVENANT AGAINST CONTINGENT FEES	APR/1984
I-4	52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	SEP/2006
I-5	52.203-7	ANTI-KICKBACK PROCEDURES	JUL/1995
I-6	52.203-8	CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-7	52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-8	52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	SEP/2007
I-9	52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT	DEC/2008
I-10	52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER	AUG/2000
I-11	52.204-7	CENTRAL CONTRACTOR REGISTRATION	APR/2008
I-12	52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	SEP/2006
I-13	52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS	APR/2008
I-14	52.215-2	AUDIT AND RECORDS--NEGOTIATIONS	MAR/2009
I-15	52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT/1997
I-16	52.215-14	INTEGRITY OF UNIT PRICES	OCT/1997
I-17	52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS	OCT/2004
I-18	52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS	JUL/2005
I-19	52.219-6	NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE	JUN/2003
I-20	52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	MAY/2004
I-21	52.219-14	LIMITATIONS ON SUBCONTRACTING	DEC/1996
I-22	52.222-3	CONVICT LABOR	JUN/2003
I-23	52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT	DEC/1996
I-24	52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB/1999
I-25	52.222-26	EQUAL OPPORTUNITY	MAR/2007
I-26	52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	SEP/2006
I-27	52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN/1998
I-28	52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	SEP/2006
I-29	52.222-50	COMBATING TRAFFICKING IN PERSONS	FEB/2009
I-30	52.222-54	EMPLOYMENT ELIGIBILITY VERIFICATION	JAN/2009
I-31	52.223-14	TOXIC CHEMICAL RELEASE REPORTING	AUG/2003
I-32	52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUN/2008
I-33	52.227-1	AUTHORIZATION AND CONSENT	DEC/2007
I-34	52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	DEC/2007
I-35	52.229-3	FEDERAL, STATE, AND LOCAL TAXES	APR/2003
I-36	52.232-1	PAYMENTS	APR/1984
I-37	52.232-8	DISCOUNTS FOR PROMPT PAYMENT	FEB/2002
I-38	52.232-11	EXTRAS	APR/1984
I-39	52.232-17	INTEREST	OCT/2008
I-40	52.232-18	AVAILABILITY OF FUNDS	APR/1984
I-41	52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986) -- ALTERNATE I (APR 1984)	APR/1984
I-42	52.232-25	PROMPT PAYMENT	OCT/2008
I-43	52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION	OCT/2003
I-44	52.233-1	DISPUTES	JUL/2002

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I-45	52.233-3	PROTEST AFTER AWARD	AUG/1996
I-46	52.233-4	APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM	OCT/2004
I-47	52.236-7	PERMITS AND RESPONSIBILITIES	NOV/1991
I-48	52.242-13	BANKRUPTCY	JUL/1995
I-49	52.243-1	CHANGES--FIXED PRICE (AUG 1987) -- ALTERNATE I (APR 1984)	APR/1984
I-50	52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS	AUG/2009
I-51	52.245-9	USE AND CHARGES	JUN/2007
I-52	52.247-63	PREFERENCE FOR U.S.-FLAG AIR CARRIERS	JUN/2003
I-53	52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)	MAY/2004
I-54	52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)	APR/1984
I-55	52.253-1	COMPUTER GENERATED FORMS	JAN/1991
I-56	252.201-7000	CONTRACTING OFFICER'S REPRESENTATIVE	DEC/1991
I-57	252.203-7000	REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS	JAN/2009
I-58	252.203-7001	PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES	DEC/2008
I-59	252.203-7002	REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS	JAN/2009
I-60	252.204-7000	DISCLOSURE OF INFORMATION	DEC/1991
I-61	252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT	APR/1992
I-62	252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS	DEC/1991
I-63	252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY	DEC/2006
I-64	252.223-7002	SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES	MAY/1994
I-65	252.223-7003	CHANGE IN PLACE OF PERFORMANCE--AMMUNITION AND EXPLOSIVES	DEC/1991
I-66	252.223-7004	DRUG-FREE WORK FORCE	SEP/1988
I-67	252.223-7006	PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (APR 1993) -- ALTERNATE I (NOV 1995)	NOV/1995
I-68	252.225-7006	QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES	MAY/2007
I-69	252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES	DEC/2008
I-70	252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS	SEP/2004
I-71	252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION	JUN/1995
I-72	252.227-7025	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS	JUN/1995
I-73	252.231-7000	SUPPLEMENTAL COST PRINCIPLES	DEC/1991
I-74	252.232-7003	ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS	MAR/2008
I-75	252.232-7004	DOD PROGRESS PAYMENT RATES	OCT/2001
I-76	252.232-7010	LEVIES ON CONTRACT PAYMENTS	DEC/2006
I-77	252.243-7001	PRICING OF CONTRACT MODIFICATIONS	DEC/1991
I-78	252.243-7002	REQUESTS FOR EQUITABLE ADJUSTMENT	MAR/1998
I-79	252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA	MAY/2002
I-80	252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA	MAR/2000
I-81	52.217-7	OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM	MAR/1989

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor preceding 30 September 2014. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

(End of Clause)

I-82	52.232-16	PROGRESS PAYMENTS	JUL/2009
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The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see

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paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due will be paid to subcontractors--

(i) In accordance with the terms and conditions of a subcontract of invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractors payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to the subcontractors or suppliers, except for--

(A) completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

(6) The total amount of progress payments shall not exceed 80 percent of the total contract price.

(7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

(8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2,500. The Contracting Officer may make exceptions.

(9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 80 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).

(2) Performance of this contract is endangered by the Contractors --

(i) Failure to make progress; or

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- (ii) Unsatisfactory financial condition.
- (3) Inventory allocated to this contract substantially exceeds reasonable requirements.
- (4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.
- (5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.
- (6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.
- (d) Title.
 - (1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.
 - (2) Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.
 - (i) Parts, materials, inventories, and work in process;
 - (ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;
 - (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and
 - (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.
 - (3) Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination or special tooling clauses, shall determine the handling and disposition of the property.
 - (4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officers approval, but the proceeds shall be credited against the costs of performance.
 - (5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officers advance approval of the action and the terms. The Contractor shall
 - (i) exclude the allocable costs of the property from the costs of contract performance, and
 - (ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.
 - (6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --
 - (i) Delivered to, and accepted by, the Government under this contract; or
 - (ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.
 - (7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.
- (e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is damaged, lost, stolen, or destroyed.
- (f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.
- (g) Reports, forms, and access to records.

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(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause,

(i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and

(ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Governments rights and remedies under this clause --

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to --

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form or progress payments, the terms of the subcontract or interdivisional order concerning progress payments --

(i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if --

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- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A contract action is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 30th day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make a

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payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinitedelivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

I-83 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES SEP/1999

(a) Definition. Arms, ammunition, and explosives (AA&E), as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

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Chg, Propelling, 155mm, M119A2	1320-01-093-6856 D533	U

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier?

(1) For the development, production, manufacture, or purchase of AA&E; or

(2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance of this contract.

(End of clause)

I-84 52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION APR/2009

(a) Definitions. As used in this clause--

"Long-term contract" means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent

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its size status according to paragraph (e) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

- (1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.
- (2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.
- (3) For long-term contracts
 - (i) Within 60 to 120 days prior to the end of the fifth year of the contract; and
 - (ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.
- (c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at <http://www.sba.gov/services/contractingopportunities/sizestandardstopics/>.
- (d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.
- (e) Except as provided in paragraph (g) of this clause, the Contractor shall make the rerepresentation required by paragraph (b) of this clause by validating or updating all its representations in the Online Representations and Certifications Application and its data in the Central Contractor Registration, as necessary, to ensure that they reflect the Contractor's current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause that the data have been validated or updated, and provide the date of the validation or update.
- (f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.
- (g) If the Contractor does not have representations and certifications in ORCA, or does not have a representation in ORCA for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it [] is, [] is not a small business concern under NAICS Code _____ assigned to contract number _____. [Contractor to sign and date and insert authorized signer's name and title].

(End of clause)

I-85 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR DEC/2004
FEES

(a) Definition. As used in this clause--

United States means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for

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certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.

If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board
Division of Information
1099 14th Street, N.W.
Washington, DC 20570
1-866-667-6572
1-866-316-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at <http://www.nlr.gov>

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR Part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR Part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to--

(1) Contractors and subcontractors that employ fewer than 15 persons;

(2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;

(3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;

(4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that--

(i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and

(ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or

(5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall--

(1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Download a copy of the poster from the Office of Labor-Management Standards website at <http://www.olms.dol.gov>; or

(3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

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(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold. Pursuant to 29 CFR Part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of Clause)

I-86 52.245-1 GOVERNMENT PROPERTY (DEVIATION -- DARS TRACKING # 2007-00012)

JUN/2007

(a) Definitions. As used in this clause

Acquisition cost means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

Cannibalize means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

Contractor-acquired property means property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government has title.

Contractor inventory means

(1) Any property acquired by and in the possession of a Contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

Contractor's managerial personnel means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

Demilitarization means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

Discrepancies incident to shipment means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

Equipment means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

Government-furnished property means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract.

Government property means all property owned or leased by the Government. Government property includes both Government-furnished and Contractor-acquired property.

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Material means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling and special test equipment.

Nonseverable means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

Precious metals means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

Property means all tangible property, both real and personal.

Property Administrator means an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor.

Provide means to furnish, as in Government-furnished property, or to acquire, as in contractor-acquired property.

Real property means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing personal property.

Sensitive property means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

Surplus property means excess personal property not required by any Federal agency as determined by the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) The Contractor shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the Contractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property, consistent with voluntary consensus standards and/or industry-leading practices and standards for Government property management except where inconsistent with law or regulation. During the period of performance, the Contractor shall disclose any significant changes to their property management system to the Property Administrator prior to implementation.

(2) The Contractor's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, disposition, or via a completed investigation, evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement applies to all Government property under the Contractor's accountability, stewardship, possession or control, including its vendors or subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Contractor shall include the requirements of this clause in all subcontracts under which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. The Contractor shall use Government property, either furnished or acquired under this contract, only for performing this contract, unless otherwise provided for in this contract or approved by the Contracting Officer. The Contractor shall not modify, cannibalize, or make alterations to Government property unless this contract specifically identifies the modifications, alterations or improvements as work to be performed.

(d) Government-furnished property.

(1) The Government shall deliver to the Contractor the Government-furnished property described in this contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished property do not apply to property acquired or fabricated by the Contractor as contractor-acquired property and subsequently transferred to another contract with this Contractor.

(2) The delivery and/or performance dates specified in this contract are based upon the expectation that the Government-furnished property will be suitable for contract performance and will be delivered to the Contractor by the dates stated in the contract.

(i) If the property is not delivered to the Contractor by the dates stated in the contract, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable adjustment to the contract.

(ii) In the event property is received by the Contractor, or for Government-furnished property after receipt and installation, in a condition not suitable for its intended use, the Contracting Officer shall, upon the Contractor's timely written request, advise the

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Contractor on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the contract (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an as-is condition. The Contractor will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Contractor's expense.

(3)(i) The Contracting Officer may by written notice, at any time

(A) Increase or decrease the amount of Government-furnished property under this contract;

(B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by the Contractor for the Government under this contract; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as Government property), are subject to the provisions of this clause.

(ii) Title to each item of equipment, special test equipment and special tooling acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(iii) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract

(A) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(B) Title to all other material shall pass to and vest in the Government upon

(1) Issuance of the material for use in contract performance;

(2) Commencement of processing of the material or its use in contract performance; or

(3) Reimbursement of the cost of the material by the Government, whichever occurs first.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon

(A) Issuance of the property for use in contract performance;

(B) Commencement of processing of the property for use in contract performance; or

(C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(iii) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under

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this paragraph (e)(3)(iii) (collectively referred to as Government property), are subject to the provisions of this clause.

(f) Contractor plans and systems.

(1) Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. The Contractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. The Contractor shall furnish a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Contractor-acquired property. The Contractor shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Contractor-acquired property from a vendor or supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. The Contractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. The Contractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Contractor's system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) The Contractor shall award subcontracts that clearly identify assets to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss, damage, destruction or theft of Government property).

(B) The Contractor shall assure its subcontracts are properly administered and reviews are periodically performed to determine the

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adequacy of the subcontractor's property management system.

(vi) Reports. The Contractor shall have a process to create and provide reports of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self-assessments; corrective actions; and other property related reports as directed by the Contracting Officer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the Property Administrator, the Contractor shall investigate and promptly furnish a written narrative of all incidents of loss, damage, destruction, or theft to the property administrator as soon as the facts become known or when requested by the Government.

(B) Such reports shall, at a minimum, contain the following information:

- (1) Date of incident (if known).
- (2) The name, commercial description, manufacturer, model number, and National Stock Number (if applicable).
- (3) Quantity.
- (4) Unique Item Identifier (if available).
- (5) Accountable Contract number.
- (6) A statement indicating current or future need.
- (7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.
- (8) All known interests in commingled property of which the Government property is a part.
- (9) Cause and corrective action taken or to be taken to prevent recurrence.
- (10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event the Contractor was or will be reimbursed or compensated.
- (11) Copies of all supporting documentation.
- (12) Last known location.

(13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.

(vii) Relief of stewardship responsibility. Unless the contract provides otherwise, the Contractor shall be relieved of stewardship responsibility for Government property when such property is

(A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the Property Administrator; or a Property Administrator granted relief of responsibility for loss, damage, destruction or theft of Government property;

(B) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor; or

(C) Disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government Property only as authorized under this contract. The Contractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall not commingle Government property with property not owned by the Government.

(ix) Maintenance. The Contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to

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include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.

(2) The Contractor shall establish and maintain Government accounting source data, as may be required by this contract, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.

(3) The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits. Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.

(g) Systems analysis.

(1) The Government shall have access to the contractor's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Contractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(2) Records of Government property shall be readily available to authorized Government personnel and shall be safeguarded from tampering or destruction.

(3) Should it be determined by the Government that the Contractor's property management practices are inadequate or not acceptable for the effective management and/or control of Government property under this contract, and/or present an undue risk to the Government, the Contractor shall immediately take all necessary corrective actions as directed by the Property Administrator.

(4) The Contractor shall ensure Government access to subcontractor premises, and all Government property located at subcontractor premises, for the purposes of reviewing, inspecting and evaluating the subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(h) Contractor Liability for Government Property.

(1) Unless otherwise provided for in the contract, the Contractor shall not be liable for loss, damage, destruction, or theft to the Government property furnished or acquired under this contract, except when any one of the following applies

(i) The risk is covered by insurance or the Contractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.

(ii) The loss, damage, destruction, or theft is the result of willful misconduct or lack of good faith on the part of the Contractor's managerial personnel. Contractor's managerial personnel, in this clause, means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business; all or substantially all of the Contractor's operation at any one plant or separate location; or a separate and complete major industrial operation.

(iii) The Contracting Officer has, in writing, revoked the Government's assumption of risk for loss, damage, destruction, or theft, due to a determination under paragraph (g) of this clause that the Contractor's property management practices are inadequate, and/or present an undue risk to the Government, and the Contractor failed to take timely corrective action. If the Contractor can establish by clear and convincing evidence that the loss, damage, destruction, or theft of Government property occurred while the Contractor had adequate property management practices or the loss, damage, destruction, or theft of Government property did not result from the Contractor's failure to maintain adequate property management practices, the Contractor shall not be held liable.

(2) The Contractor shall take all reasonable actions necessary to protect the Government property from further loss, damage, destruction, or theft. The Contractor shall separate the damaged and undamaged Government property, place all the affected Government property in the best possible order, and take such other action as the Property Administrator directs.

(3) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be the Contractor's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

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- (2) Delivery of Government-furnished property in a condition not suitable for its intended use.
- (3) An increase, decrease, or substitution of Government-furnished property.
- (4) Failure to repair or replace Government property for which the Government is responsible.
- (j) Contractor inventory disposal. Except as otherwise provided for in this contract, the Contractor shall not dispose of Contractor inventory until authorized to do so by the Plant Clearance Officer.
- (1) Scrap to which the Government has obtained title under paragraph (e) of this clause.
- (i) Contractor with an approved scrap procedure.
- (A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.
- (B) For scrap from other than production or testing the Contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that
- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains hazardous materials or hazardous wastes;
- (5) Contains precious metals; or
- (6) Is dangerous to the public health, safety, or welfare.
- (ii) Contractor without an approved scrap procedure. The Contractor shall submit an inventory disposal schedule for all scrap. The Contractor may not dispose of scrap resulting from production or testing under this contract without Government approval.
- (2) Predisposal requirements.
- (i) Once the Contractor determines that Contractor-acquired property is no longer needed for contract performance, the Contractor in the following order of priority
- (A) May contact the Contracting Officer if use of the property in the performance of other Government contracts is practical;
- (B) May purchase the property at the acquisition cost; or
- (C) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices).
- (ii) The Contractor shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not used in the performance of other Government contracts under paragraph (j) (2) (i) (A) of this clause, property that was not purchased under paragraph (j) (2) (i) (B) of this clause, and property that could not be returned to a supplier under paragraph (j) (2) (i) (C) of this clause.
- (3) Inventory disposal schedules.
- (i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify
- (A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of this contract;
- (B) Contractor-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that contract; and
- (C) Termination inventory.

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(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate inventory disposal schedules for

- (A) Special test equipment with commercial components;
- (B) Special test equipment without commercial components;
- (C) Printing equipment;
- (D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);
- (E) Precious metals;
- (F) Mononuclear hazardous materials or hazardous wastes; or
- (G) Nuclear materials or nuclear wastes.

(iv) The Contractor shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting location may be grouped in a single line item.

(4) Submission requirements. The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than

(i) 30-days following the Contractor's determination that a Government property item is no longer required for performance of this contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may

- (i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and
- (ii) Require the Contractor to correct an inventory disposal schedule.

(6) Postsubmission adjustments. The Contractor shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the Contractor may make the necessary adjustments to the inventory schedule.

(7) Storage.

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to furnish disposal instructions within 120 days following acceptance of an inventory disposal schedule may entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove Government property from the premises where the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability for such property under this contract.

(8) Disposition instructions.

(i) If the Government does not furnish disposition instructions to the Contractor within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in accordance with the Contractor's approved scrap procedures.

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Contractor inventory as directed by the Plant Clearance Officer. If not returned to the Government, the Contractor shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

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(iii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. In such cases, the Contractor may be entitled to an equitable adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Contracting Officer, the Contractor shall credit the net proceeds from the disposal of Contractor inventory to the contract, or to the Treasury of the United States as miscellaneous receipts.

(10) Subcontractor inventory disposal schedules. The Contractor shall require its Subcontractors to submit inventory disposal schedules to the Contractor in accordance with the requirements of paragraph (j)(4) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive Government property or termination inventory without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place, at which time all obligations of the Government regarding such property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(l) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, the words Government and Government-furnished (wherever they appear in this clause) shall be construed as United States Government and United States Government-furnished, respectively.

(End of clause)

I-87 52.252-2 CLAUSES INCORPORATED BY REFERENCE FEB/1998

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address:

<http://www.arnet.gov/far/> or <http://www.acq.osd.mil/dpap/dars/index.htm> or <https://webportal.saalt.army.mil/saal-zp/procurement/afars.doc>

(End of Clause)

I-88 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES APR/1984

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of (DEVIATION) after the date of the clause.

(b) The use in this solicitation or contract of any DoD FAR SUPPLEMENT (48 CFR 2) clause with an authorized deviation is indicated by the addition of (DEVIATION) after the name of the regulation.

(End of Clause)

I-89 52.201-4500 AUTHORITY OF GOVERNMENT REPRESENTATIVE FEB/1993
LOCAL

The Contractor is advised that contract changes, such as engineering changes, will be authorized only by the Contracting Officer or his representative in accordance with the terms of the contract. No other Government representative, whether in the act of technical supervision or administration, is authorized to make any commitment to the Contractor or to instruct the Contractor to perform or terminate any work, or to incur any obligation. Project Engineers, Technical Supervisors and other groups are not authorized to make or otherwise direct changes which in any way affect the contractual relationship of the Government and the Contractor.

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(End of clause)

(IS7025)

I-90 52.247-4544 TRANSPORTATION CONTAINERIZATION
(RICC)

SEP/2007

If production quantities require containerization for shipment to destination the following will apply

(a) Containerization of shipments will be accomplished utilizing only 20 foot long American National Standards Institute/International Organization for Standardization (ANSI/ISO) freight containers, and/or 20 foot MILVANS which bear, in addition to a manufacturer's data plate, a CONVENTION FOR SAFE CONTAINERS (CSC) SAFETY APPROVAL PLATE. Shipment is to be placed in a serviceable, ammunition-grade container IAW with the latest revision of "Mil-Handbook 138-B" and "IMDG Ammunition Grade Guidance 7.4.6".

(b) The contractor will be liable to the Government for any loss or damage resulting from improper source stuffing, utilization of containers, or failure to comply with the containerization requirements of the contract. The contractor will also be liable for any additional costs accrued due to use of other than 20 foot long ANSI/ISO freight containers, and/or 20 foot MILVANS.

(End of clause)

(IS7011)

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SECTION J - LIST OF ATTACHMENTS

<u>List of Addenda</u>	<u>Title</u>	<u>Date</u>	<u>Number of Pages</u>	<u>Transmitted By</u>
Attachment 0001	EXPLO PRICING SPREADSHEET	21-JAN-2010	001	
Attachment 0002	ASSET LISTING		008	
Attachment 0003	TDP		002	
Attachment 0004	EXPLO PROPOSAL	21-JAN-2010		

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SECTION A - SUPPLEMENTAL INFORMATION

AUTO	AS7002	52.204-7000 LOCAL	01-JUN-2005	ONLINE REPRESENTATIONS AND CERTIFICATIONS APPLICATION (ORCA)
NOT UPDATED	AS7001	52.252-4500 LOCAL	01-APR-2006	FULL TEXT CLAUSES

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

ADDED/PUSH	CS7103	52.225-4502 (RICC)	01-FEB-1992	STATEMENT OF WORK-ENGLISH LANGUAGE DOCUMENTATION
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SECTION E - INSPECTION AND ACCEPTANCE

AUTO	EF00006	52.246-4	01-AUG-1996	INSPECTION OF SERVICES--FIXED-PRICE
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SECTION F - DELIVERIES OR PERFORMANCE

ADDED/PUSH	FF00002	52.242-15	01-AUG-1989	STOP-WORK ORDER
ADDED/PUSH	FF00005	52.242-17	01-APR-1984	GOVERNMENT DELAY OF WORK

SECTION G - CONTRACT ADMINISTRATION DATA

AUTO	GS7001	52.232-4501	01-AUG-2008	US ARMY CONTRACTING COMMAND, ROCK ISLAND CONTRACTING CENTER, IMPLEMENTATION OF WIDE AREA WORKFLOW RECEIPT AND ACCEPTANCE (WAWF-RA) FOR ELECTRONIC PROCESSING OF RECEIPT/ACCEPTANCE DOCUMENTS AND PAYMENT
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SECTION H - SPECIAL CONTRACT REQUIREMENTS

CHANGED	HS6075	52.245-4506 LOCAL	01-OCT-1994	GOVERNMENT FURNISHED PROPERTY
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Schedule of Government Furnished Property

(a) Pursuant to the Government Property clause in Section I of this contract, the Government shall furnish F.O.B. contractor's place of performance, the Government-owned property listed in attachment number -1- of this document for use in the performance of this contract.

(b) The property shall be delivered in accordance with the schedule set forth in attachment number 002 of this document.

(c) If the property is not received in accordance with the schedule set forth in attachment number 002 of this document, the Contractor shall immediately notify the Contracting Officer in writing.

(d) The quantity of Government Furnished Material (GFM) which is offered herein is contingent upon award of the total quantity solicited herein. Should the actual quantity awarded be less than the total quantity solicited, the Government retains the right to unilaterally reduce the quantity of GFM which will be provided under any resultant contract. Any said reduction shall be on a pro-rata basis.

(End of clause)

(HS6075)

AUTO/DEL	HS6025	52.246-4557 LOCAL	01-JAN-1995	MATERIAL INSPECTION AND RECEIVING REPORTS (DD FORM 250)
ADDED	HS7500	52.223-4556	01-JUN-1999	DISPOSAL OF REMAINING GFM AMMUNITION AND EXPLOSIVES FOLLOWING

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		LOCAL		CONTRACT COMPLETION OR TERMINATION
AUTO	HS7015	52.242-4591	01-DEC-2005	CONTRACTOR PERFORMANCE INFORMATION
AUTO	HS7600	52.247-4545 (RICC)	01-MAY-1993	PLACE OF CONTRACT SHIPPING POINT, RAIL INFORMATION
SECTION I - CONTRACT CLAUSES				
AUTO	IF00359	52.202-1	01-JUL-2004	DEFINITIONS
AUTO	IF00002	52.203-3	01-APR-1984	GRATUITIES
AUTO	IF00003	52.203-5	01-APR-1984	COVENANT AGAINST CONTINGENT FEES
AUTO	IF00004	52.203-6	01-SEP-2006	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT
AUTO	IF00006	52.203-7	01-JUL-1995	ANTI-KICKBACK PROCEDURES
AUTO	IF00007	52.203-8	01-JAN-1997	CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY
AUTO	IF00008	52.203-10	01-JAN-1997	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
AUTO	IF00009	52.203-12	01-SEP-2007	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS
ADDED/PUSH	IF00369	52.203-13	01-DEC-2008	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT
AUTO	IF00013	52.204-4	01-AUG-2000	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER
AUTO	IF00014	52.204-7	01-APR-2008	CENTRAL CONTRACTOR REGISTRATION
AUTO	IF00023	52.209-6	01-SEP-2006	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
AUTO	IF00026	52.211-15	01-APR-2008	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS
ADDED/PUSH	IF00038	52.215-2	01-MAR-2009	AUDIT AND RECORDS--NEGOTIATIONS
ADDED/PUSH	IF00042	52.215-8	01-OCT-1997	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT
ADDED/PUSH	IF00050	52.215-14	01-OCT-1997	INTEGRITY OF UNIT PRICES
AUTO	IF00052	52.215-15	01-OCT-2004	PENSION ADJUSTMENTS AND ASSET REVERSIONS
AUTO	IF00054	52.215-18	01-JUL-2005	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS
ADDED/PUSH	IF00072	52.219-6	01-JUN-2003	NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE
NOT UPDATED	IF00078	52.219-8	01-MAY-2004	UTILIZATION OF SMALL BUSINESS CONCERNS
ADDED/PUSH	IF00083	52.219-14	01-DEC-1996	LIMITATIONS ON SUBCONTRACTING
ADDED/PUSH	IF00088	52.222-3	01-JUN-2003	CONVICT LABOR
ADDED/PUSH	IF00103	52.222-20	01-DEC-1996	WALSH-HEALEY PUBLIC CONTRACTS ACT
AUTO	IF00104	52.222-21	01-FEB-1999	PROHIBITION OF SEGREGATED FACILITIES
AUTO	IF00105	52.222-26	01-MAR-2007	EQUAL OPPORTUNITY
AUTO	IF00110	52.222-35	01-SEP-2006	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS

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AUTO	IF00111	52.222-36	01-JUN-1998	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES
AUTO	IF00112	52.222-37	01-SEP-2006	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS
AUTO	IF00116	52.222-50	01-FEB-2009	COMBATING TRAFFICKING IN PERSONS
AUTO	IF00381	52.222-54	01-JAN-2009	EMPLOYMENT ELIGIBILITY VERIFICATION
AUTO	IF00125	52.223-14	01-AUG-2003	TOXIC CHEMICAL RELEASE REPORTING
AUTO	IF00133	52.225-13	01-JUN-2008	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
AUTO	IF00136	52.227-1	01-DEC-2007	AUTHORIZATION AND CONSENT
AUTO	IF00140	52.227-2	01-DEC-2007	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT
AUTO	IF00161	52.229-3	01-APR-2003	FEDERAL, STATE, AND LOCAL TAXES
AUTO	IF00170	52.232-1	01-APR-1984	PAYMENTS
AUTO	IF00175	52.232-8	01-FEB-2002	DISCOUNTS FOR PROMPT PAYMENT
AUTO	IF00178	52.232-11	01-APR-1984	EXTRAS
ADDED/PUSH	IF00179	52.232-17	01-OCT-2008	INTEREST
ADDED/PUSH	IF00180	52.232-18	01-APR-1984	AVAILABILITY OF FUNDS
AUTO	IF00185	52.232-23	01-APR-1984	ASSIGNMENT OF CLAIMS (JAN 1986) -- ALTERNATE I (APR 1984)
AUTO	IF00187	52.232-25	01-OCT-2008	PROMPT PAYMENT
ADDED/PUSH	IF00191	52.232-33	01-OCT-2003	PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION
AUTO	IF00194	52.233-1	01-JUL-2002	DISPUTES
AUTO	IF00196	52.233-3	01-AUG-1996	PROTEST AFTER AWARD
AUTO	IF00198	52.233-4	01-OCT-2004	APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM
ADDED/PUSH	IF00203	52.236-7	01-NOV-1991	PERMITS AND RESPONSIBILITIES
AUTO	IF00235	52.242-13	01-JUL-1995	BANKRUPTCY
AUTO	IF00238	52.243-1	01-APR-1984	CHANGES--FIXED PRICE (AUG 1987) -- ALTERNATE I (APR 1984)
NOT UPDATED	IF00255	52.244-6	01-AUG-2009	SUBCONTRACTS FOR COMMERCIAL ITEMS
ADDED/PUSH	IF00267	52.245-9	01-JUN-2007	USE AND CHARGES
AUTO	IF00307	52.247-63	01-JUN-2003	PREFERENCE FOR U.S.-FLAG AIR CARRIERS
ADDED/PUSH	IF00322	52.249-2	01-MAY-2004	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)
AUTO	IF00336	52.249-8	01-APR-1984	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)
AUTO	IF00353	52.253-1	01-JAN-1991	COMPUTER GENERATED FORMS
ADDED/PUSH	IA00001	252.201-7000	01-DEC-1991	CONTRACTING OFFICER'S REPRESENTATIVE
AUTO	IA00285	252.203-7000	01-JAN-2009	REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS
AUTO	IA00267	252.203-7001	01-DEC-2008	PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-

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RELATED FELONIES

AUTO	IA00287	252.203-7002	01-JAN-2009	REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS
AUTO	IA00268	252.204-7000	01-DEC-1991	DISCLOSURE OF INFORMATION
AUTO	IA00269	252.204-7003	01-APR-1992	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT
AUTO	IA00010	252.205-7000	01-DEC-1991	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS
AUTO	IA00011	252.209-7004	01-DEC-2006	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY
ADDED/PUSH	IA00041	252.223-7002	01-MAY-1994	SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES
ADDED/PUSH	IA00042	252.223-7003	01-DEC-1991	CHANGE IN PLACE OF PERFORMANCE--AMMUNITION AND EXPLOSIVES
ADDED/PUSH	IA00043	252.223-7004	01-SEP-1988	DRUG-FREE WORK FORCE
ADDED/PUSH	IA00045	252.223-7006	01-NOV-1995	PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (APR 1993) -- ALTERNATE I (NOV 1995)
AUTO	IA00050	252.225-7006	01-MAY-2007	QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES
ADDED/PUSH	IA00052	252.225-7012	01-DEC-2008	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
AUTO	IA00072	252.226-7001	01-SEP-2004	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS
AUTO/DEL	IA00076	252.227-7013	01-NOV-1995	RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS
AUTO/DEL	IA00078	252.227-7014	01-JUN-1995	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION
AUTO/DEL	IA00080	252.227-7015	01-NOV-1995	TECHNICAL DATA--COMMERCIAL ITEMS
AUTO	IA00081	252.227-7016	01-JUN-1995	RIGHTS IN BID OR PROPOSAL INFORMATION
AUTO/DEL	IA00084	252.227-7019	01-JUN-1995	VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE
AUTO	IA00089	252.227-7025	01-JUN-1995	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS
AUTO/DEL	IA00091	252.227-7027	01-APR-1988	DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE
AUTO/DEL	IA00092	252.227-7030	01-MAR-2000	TECHNICAL DATA--WITHHOLDING OF PAYMENT
AUTO/DEL	IA00096	252.227-7037	01-SEP-1999	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA
AUTO	IA00271	252.231-7000	01-DEC-1991	SUPPLEMENTAL COST PRINCIPLES
AUTO	IA00115	252.232-7003	01-MAR-2008	ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS
ADDED/PUSH	IA00116	252.232-7004	01-OCT-2001	DOD PROGRESS PAYMENT RATES
AUTO	IA00272	252.232-7010	01-DEC-2006	LEVIES ON CONTRACT PAYMENTS
AUTO	IA00147	252.243-7001	01-DEC-1991	PRICING OF CONTRACT MODIFICATIONS
AUTO	IA00148	252.243-7002	01-MAR-1998	REQUESTS FOR EQUITABLE ADJUSTMENT
AUTO	IA00157	252.247-7023	01-MAY-2002	TRANSPORTATION OF SUPPLIES BY SEA
ADDED/PUSH	IA00161	252.247-7024	01-MAR-2000	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA

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CHANGED IF60153 52.217-7 01-MAR-1989 OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor preceding 30 September 2014. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

(End of Clause)

CHANGED IF60142 52.232-16 01-JUL-2009 PROGRESS PAYMENTS

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractors total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due will be paid to subcontractors--

(i) In accordance with the terms and conditions of a subcontract of invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractors payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to the subcontractors or suppliers, except for--

(A) completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

(6) The total amount of progress payments shall not exceed 80 percent of the total contract price.

(7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

(8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less

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than \$2,500. The Contracting Officer may make exceptions.

(9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 80 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).

(2) Performance of this contract is endangered by the Contractors --.

- (i) Failure to make progress; or
- (ii) Unsatisfactory financial condition.

(3) Inventory allocated to this contract substantially exceeds reasonable requirements.

(4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.

(5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.

(6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a) (1) above.

(d) Title.

(1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.

(2) Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.

(i) Parts, materials, inventories, and work in process;

(ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;

(iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and

(iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination or special tooling clauses, shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officers approval, but the proceeds shall be credited against the costs of performance.

(5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officers advance approval of the action and the terms. The Contractor shall

(i) exclude the allocable costs of the property from the costs of contract performance, and

(ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title

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shall vest in the Contractor for all property (or the proceeds thereof) not --

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is damaged, lost, stolen, or destroyed.

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports, forms, and access to records.

(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause,

(i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and

(ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Governments rights and remedies under this clause --

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to --

(i) The unliquidated remainder of financing payments made; plus

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- (ii) Any unpaid subcontractor requests for financing payments.
- (2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.
- (3) If the financing payments are in the form or progress payments, the terms of the subcontract or interdivisional order concerning progress payments --
 - (i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;
 - (ii) Are at least as favorable to the Government as the terms of this clause;
 - (iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;
 - (iv) Are in conformance with the requirements of FAR 32.504(e); and
 - (v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if --
 - (A) The Contractor defaults; or
 - (B) The subcontractor becomes bankrupt or insolvent.
- (4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--
 - (i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;
 - (ii) Are in conformance with the requirements of FAR 32.504(f); and
 - (iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--
 - (A) The Contractor defaults; or
 - (B) The subcontractor becomes bankrupt or insolvent.
- (5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments
 - (i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;
 - (ii) Are in conformance with the requirements of FAR 32.504(g); and
 - (iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--
 - (A) The Contractor defaults; or
 - (B) The subcontractor becomes bankrupt or insolvent.
- (6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.
- (7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.
- (8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

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(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(K) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A contract action is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(1) Due date. The designated payment office will make progress payments on the 30th day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make a payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinitedelivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

CHANGED IA60004 252.223-7007 01-SEP-1999 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES

(a) Definition. Arms, ammunition, and explosives (AA&E), as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

NOMENCLATURE	NATIONAL STOCK NUMBER	SENSITIVITY/ CATEGORY
Chg, Propelling, 155mm, M119A2	1320-01-093-6856 D533	U

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier?

(1) For the development, production, manufacture, or purchase of AA&E; or

(2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance of this contract.

(End of clause)

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AUTO/DEL	IF70003	52.215-19	01-OCT-1997	NOTIFICATION OF OWNERSHIP CHANGES
AUTO	IF70036	52.219-28	01-APR-2009	POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION
NOT UPDATED	IF70006	52.222-39	01-DEC-2004	NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES
ADDED/PUSH	IF70037	52.245-1	01-JUN-2007	GOVERNMENT PROPERTY (DEVIATION -- DARS TRACKING # 2007-00012)
AUTO	IF70033	52.252-2	01-FEB-1998	CLAUSES INCORPORATED BY REFERENCE
AUTO	IF70034	52.252-6	01-APR-1984	AUTHORIZED DEVIATIONS IN CLAUSES
AUTO	IS7025	52.201-4500 LOCAL	01-FEB-1993	AUTHORITY OF GOVERNMENT REPRESENTATIVE
ADDED/PUSH	IS7011	52.247-4544 (RICC)	01-SEP-2007	TRANSPORTATION CONTAINERIZATION

SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS

AUTO/DEL	KF00013	52.209-2	01-JUL-2009	PROHIBITION ON CONTRACTING WITH INVERTED DOMESTIC CORPORATIONS -- REPRESENTATION
AUTO/DEL	KF00012	52.225-20	01-AUG-2009	PROHIBITION ON CONDUCTING RESTRICTED BUSINESS OPERATIONS IN SUDAN-- CERTIFICATION
AUTO/DEL	KA00001	252.209-7001	01-JAN-2009	DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY
AUTO/DEL	KA00005	252.227-7017	01-JUN-1995	IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS
AUTO/DEL	KA00006	252.227-7028	01-JUN-1995	TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT
AUTO/DEL	KF60007	52.204-8	01-FEB-2009	ANNUAL REPRESENTATIONS AND CERTIFICATIONS
AUTO/DEL	KF70021	52.223-13	01-AUG-2003	CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING
AUTO/DEL	KA70012	252.204-7007	01-JAN-2008	ALTERNATE A, ANNUAL REPRESENTATIONS AND CERTIFICATIONS (52.204-8)

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

AUTO/DEL	LF00028	52.215-16	01-JUN-2003	FACILITIES CAPITAL COST OF MONEY
AUTO/DEL	LF60017	52.211-14	01-APR-2008	NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE, EMERGENCY PREPAREDNESS, AND ENERGY PROGRAM USE
AUTO/DEL	LF60007	52.215-20	01-OCT-1997	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997) -- ALTERNATE IV (OCT 1997)
AUTO/DEL	LF60010	52.233-2	01-SEP-2006	SERVICE OF PROTEST
AUTO/DEL	LF70014	52.252-1	01-FEB-1998	SOLICITATION PROVISIONS INCORPORATED BY REFERENCE
AUTO/DEL	LF70015	52.252-5	01-APR-1984	AUTHORIZED DEVIATIONS IN PROVISIONS
AUTO/DEL	LS7003	52.214-4584 LOCAL	01-OCT-2008	HAND-DELIVERED BIDS, QUOTES, OR PROPOSALS

PADD ERRATA SHEET

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AUTO/DEL	LS7001	52.215-4583	01-FEB-2004	DISCLOSURE OF UNIT PRICES
		LOCAL		

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. Contract ID Code Firm-Fixed-Price		Page 1 Of 4	
2. Amendment/Modification No. P00003		3. Effective Date 2011JUN08		4. Requisition/Purchase Req No. SEE SCHEDULE		5. Project No. (If applicable)	
6. Issued By ROCK ISLAND CONTRACTING CENTER CCRC-AM ANN HAMERLINCK (309) 782-3946 ROCK ISLAND, IL 61299-8000 BLDGS 60 & 390 EMAIL: ANN.HAMERLINCK@US.ARMY.MIL				Code W52P1J		7. Administered By (If other than Item 6) DCMA DALLAS 600 N PEARL STREET SUITE 1630 DALLAS TX 75201-2843 SCD C PAS NONE ADP PT HQ0339	
8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) EXPLO SYSTEMS, INC. 1600 JAVA RD MINDEN, LA 71055-7795 TYPE BUSINESS: Other Small Business Performing in U.S.				<input type="checkbox"/>		9A. Amendment Of Solicitation No.	
				<input type="checkbox"/>		9B. Dated (See Item 11)	
				<input checked="" type="checkbox"/>		10A. Modification Of Contract/Order No. W52P1J-10-C-0025	
				<input type="checkbox"/>		10B. Dated (See Item 13) 2010MAR24	
Code 1YKY9		Facility Code					

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers

☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:
 (a) By completing items 8 and 15, and returning _____ copies of the amendments; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting And Appropriation Data (If required) Payment will be made by Electronic Funds Transfer

ACRN: AB NET INCREASE: \$2,871,000.00

13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS
It Modifies The Contract/Order No. As Described In Item 14.

KIND MOD CODE: 6

<input type="checkbox"/>	A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A.	The Changes Set Forth In Item 14 Are Made In
<input type="checkbox"/>	B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).	
<input type="checkbox"/>	C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:	
<input checked="" type="checkbox"/>	D. Other (Specify type of modification and authority) Exercise Option	

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return _____ copies to the Issuing Office.

14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE SECOND PAGE FOR DESCRIPTION

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. Name And Title Of Signer (Type or print) <i>Kenneth Lumpkin, Program Manager</i>		16A. Name And Title Of Contracting Officer (Type or print) CHRISTINE CARSON CHRISTINE.CARSON@US.ARMY.MIL (309) 782-4301	
15B. Contractor/Officer <i>Kenneth Lumpkin</i> (Signature of person authorized to sign)	15C. Date Signed 07 June 2011	16B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer)	16C. Date Signed 2011JUN08

NSN 7540-01-152-8070
PREVIOUS EDITIONS UNUSABLE

30-105-02

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA FAR (48 CFR) 53.243

CONTINUATION SHEET	Reference No. of Document Being Continued		Page 2 of 4
	PIIN/SHIN W52P1J-10-C-0025	MOD/AMD P00003	
Name of Offeror or Contractor: EXPLO SYSTEMS, INC.			

SECTION A - SUPPLEMENTAL INFORMATION

1. THE PURPOSE OF THIS MODIFICATION IS TO EXERCISE THE OPTION FOR THE DEMILITARIZATION OF 450,000 CHARGES, PROPELLING, 155MM, M119A2, DODIC D533, NSN: 1320-01-093-6856. THE EVALUATED UNIT PRICE FOR OPTION ONE (OP 01 OCT 2010 - 30 SEP 2011) IS \$6.38 EACH FOR A TOTAL OF \$2,871,000.00. THE UNIT PRICES ARE BASED ON EXPLO'S UNIT PRICES SUBMITTED IN THEIR ORIGINAL PROPOSAL DATED 21 JAN 2010.

2. AS A RESULT OF THIS ACTION, THE CONTRACT VALUE IS INCREASED BY \$2,871,000.00 FROM \$2,902,500.00 TO \$5,773,500.00.

3. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED AND IN FULL EFFECT.

*** END OF NARRATIVE A0006 ***

CONTINUATION SHEET

Reference No. of Document Being Continued
PIIN/SIIN W52P1J-10-C-0025 MOD/AMD P00003

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Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT					
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS									
0001	SECURITY CLASS: Unclassified									
0001AA	<u>DEMIL OF PROP CHARGE</u> CLIN CONTRACT TYPE: Firm-Fixed-Price NOUN: COM'L DEMIL PROP CHARGES PRON: HI06D200HI PRON AMD: 03 ACRN: AA <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DLVR SCH <table><tr><td><u>REL CD</u></td><td><u>QUANTITY</u></td><td><u>DATE</u></td></tr><tr><td>001</td><td>0</td><td>31-JUL-2012</td></tr></table> \$ 2,902,500.00	<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>	001	0	31-JUL-2012			\$ 2,902,500.00
<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>								
001	0	31-JUL-2012								
0001AB	<u>SERVICES LINE ITEM</u> NOUN: COM'L DEMIL OF PROPE PRON: HI1D2003M2 PRON AMD: 01 ACRN: AB AMS CD: 42104099040 Funds in the amount of \$2,871,000.00 are provided for the demilitarization of 450,000 prop charges at a unit price of \$6.38 each. (End of narrative B001) <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DLVR SCH <table><tr><td><u>REL CD</u></td><td><u>QUANTITY</u></td><td><u>DATE</u></td></tr><tr><td>001</td><td>0</td><td>31-JUL-2013</td></tr></table> \$ 2,871,000.00	<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>	001	0	31-JUL-2013			\$ 2,871,000.00
<u>REL CD</u>	<u>QUANTITY</u>	<u>DATE</u>								
001	0	31-JUL-2013								

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 4 of 4

PIIN/SIIN W52P1J-10-C-0025

MOD/AMD P00003

Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ ITEM	OBLG STAT	JO NO	ACRN	PRIOR AMOUNT	INCREASE/ DECREASE	CUMULATIVE AMOUNT
0001AB	HI1D2003M2 42104099040	2	1RM337	AB	\$ 0.00	\$ 2,871,000.00	\$ 2,871,000.00
					NET CHANGE	\$ 2,871,000.00	

ACRN	ACCOUNTING CLASSIFICATION	INCREASE/ DECREASE
AB	21 12034000011B1B05P421040252H S28017	\$ 2,871,000.00
		NET CHANGE \$ 2,871,000.00

	PRIOR AMOUNT OF AWARD	INCREASE/DECREASE AMOUNT	CUMULATIVE OBLIG AMT
NET CHANGE FOR AWARD:	\$ 2,902,500.00	\$ 2,871,000.00	\$ 5,773,500.00

LINE	ACRN	EDI/SFIS ACCOUNTING CLASSIFICATION
0001AB	AB	21 111320340000 W15BW9 11B1B0542104099040252HHI1D2003M2 1RM337 S28017

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. Contract ID Code Firm-Fixed-Price	Page 1 Of 4
2. Amendment/Modification No. P00005		3. Effective Date		4. Requisition/Purchase Req No. SEE SCHEDULE	5. Project No. (If applicable)
6. Issued By Code W52P1J ROCK ISLAND CONTRACTING CENTER CCRC-AM ANN HAMERLINCK (309)782-3946 ROCK ISLAND, IL 61299-8000 BLDGS 60 & 390 EMAIL: ANN.HAMERLINCK@US.ARMY.MIL		7. Administered By (If other than Item 6) Code S4402A DCMA DALLAS 600 N PEARL STREET SUITE 1630 DALLAS TX 75201-2843		SCD C PAS NONE ADP PT HQ0339	
8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) EXPLO SYSTEMS, INC. 1600 JAVA RD MINDEN, LA 71055-7795 TYPE BUSINESS: Other Small Business Performing in U.S. Code 1YKY9 Facility Code				9A. Amendment Of Solicitation No. 9B. Dated (See Item 11) 10A. Modification Of Contract/Order No. W52P1J-10-C-0025 10B. Dated (See Item 13) 2010MAR24	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers

☐ is extended. ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:
(a) By completing items 8 and 15, and returning _____ copies of the amendments; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting And Appropriation Data (If required) Payment will be made by Electronic Funds Transfer
ACRN: AC NET INCREASE: \$2,844,000.00

13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS It Modifies The Contract/Order No. As Described In Item 14.

KIND MOD CODE: 6

☐ A. This Change Order is Issued Pursuant To:
The Contract/Order No. In Item 10A. The Changes Set Forth In Item 14 Are Made In

☐ B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).

☐ C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:

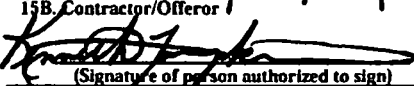
☒ D. Other (Specify type of modification and authority) Exercise Option

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return _____ copies to the Issuing Office.

14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE SECOND PAGE FOR DESCRIPTION

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. Name And Title Of Signer (Type or print) Kenneth Lampkin, Program Manager		16A. Name And Title Of Contracting Officer (Type or print) CHRISTINE CARSON CHRISTINE.CARSON@US.ARMY.MIL (309)782-4301	
15B. Contractor/Officer  (Signature of person authorized to sign)	15C. Date Signed 7 Mar 2012	16B. United States Of America By _____ (Signature of Contracting Officer)	16C. Date Signed

NSN 7540-01-152-8070 30-105-02 STANDARD FORM 30 (REV. 10-83)
PREVIOUS EDITIONS UNUSABLE Prescribed by GSA FAR (48 CFR) 53.243

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN W52P1J-10-C-0025 MOD/AMD P00005	Page 2 of 4
Name of Offeror or Contractor: EXPLO SYSTEMS, INC.		

SECTION A - SUPPLEMENTAL INFORMATION

1. THE PURPOSE OF THIS MODIFICATION IS TO EXERCISE OPTION 2 FOR THE DEMILITARIZATION OF 450,000 CHARGE, PROPELLING, 155MM, M119A2, DODIC D533, NSN: 1320-01-093-6856. THE EVALUATED UNIT PRICE FOR OPTION TWO (OP 01 OCT 2011 - 30 SEP 2012) IS \$6.32 EACH FOR A TOTAL OF \$2,844,000.00. THE UNIT PRICES ARE BASED ON EXPLO'S UNIT PRICES SUBMITTED IN THEIR ORIGINAL PROPOSAL DATED 21 JAN 2010.

2. AS A RESULT OF THIS ACTION, THE CONTRACT VALUE IS INCREASED BY \$2,844,000.00 FROM \$5,840,722.25 TO \$8,684,722.25.

3. THE FOLLOWING CLAUSE IS INCORPORATED INTO THE CONTRACT:
DFARS 252.209-7999

(a) In accordance with sections 8124 and 8125 of Division A of the Consolidated Appropriations Act, 2012, (Pub. L. 112-74) none of the funds made available by that Act may be used to enter into a contract with any corporation that--

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless the agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(b) The Offeror represents that--

(1) It is ☐ is not ☒ a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

(2) It is ☐ is not ☒ a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

4. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED AND IN FULL EFFECT.

*** END OF NARRATIVE A0008 ***

CONTINUATION SHEET

Reference No. of Document Being Continued
PIIN/SIIN W52P1J-10-C-0025 MOD/AMD P00005

Page 3 of 4

Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS				
0001	SECURITY CLASS: Unclassified				
0001AC	<u>PRODUCTION</u> NOUN: CHARGE PROPELLING 155MM M119 PRON: H12D2205M2 PRON AMD: 01 ACRN: AC AMS CD: 42104099044 PSC, 1220 <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DLVR SCH				

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 4 of 4

PIIN/SIIN W52P1J-10-C-0025

MOD/AMD P00005

Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

SECTION G - CONTRACT ADMINISTRATION DATA

LINE ITEM	PRON/ AMS CD/ MIPR	OBLG STAT	JO NO/ ACCT ASSIGN	ACRN	PRIOR AMOUNT	INCREASE/ DECREASE	CUMULATIVE AMOUNT
0001AC	H12D2205M2	2	2RM333	AC	\$ 0.00	\$ 2,844,000.00	\$ 2,844,000.00
	42104099044						
					NET CHANGE	\$ 2,844,000.00	

ACRN	ACCOUNTING CLASSIFICATION	INCREASE/ DECREASE
AC	21 22034000021B1B05P421040252H 928017	\$ 2,844,000.00
	W15BW9	
		NET CHANGE \$ 2,844,000.00

	PRIOR AMOUNT OF AWARD	INCREASE/DECREASE AMOUNT	CUMULATIVE OBLIG AMT
NET CHANGE FOR AWARD:	\$ 5,840,722.25	\$ 2,844,000.00	\$ 8,684,722.25

LINE ITEM	ACRN	EDI/SPIS ACCOUNTING CLASSIFICATION
0001AC	AC	21 121420340000 W15BW9 21B1B0542104099044252HHI2D2205M2 2RM333 S28017

PADDs DISTRIBUTION LIST

PCN: P10CM29114R

PAGE: 1

PRINT DATE: 07-MAR-2012

MOD NO: P00005

BUYER NAME: ANN HAMERLINCK

PIIN W52PIJ-10-C-0025

SUBMITTED BY PAAHK

DOLLAR VALUE \$2,844,000.00

	NUMBER COPIES		NUMBER COPIES
Office of PCO (Original Contract/Mod)	1	Procuring Element CCRC-AM	1
Contractor	1		
Dup/Orig Contract/Mod	1		
EXPLO SYSTEMS, INC.		DCMA DALLAS	
1600 JAVA RD		600 N PEARL STREET SUITE 1630	
MINDEN, LA. 710557795		DALLAS TX 75201-2843	
Paying Office		Contract Admin ADP Point	1
Contract/Mod	1	Contract/Mod	1
DFAS-COLUMBUS CENTER		DFAS COLUMBUS CENTER	
DFAS-CO WEST ENTITLEMENT OPERATIONS		DFAS-CO/WEST ENTITLEMENT OPERATIONS	
P.O. BOX 182381		P.O. BOX 182381	
COLUMBUS, OH 43218-2381		COLUMBUS, OH 43218-2381	
Facility		SBA Office	
Contract/Mod		Contract/Mod	
No Facility		No SBA Office	



CERTIFICATE OF LIABILITY INSURANCE

EXPLSY8-01

RHMA

DATE (MM/DD/YYYY)
4/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wright & Percy Insurance A Division of BancorpSouth Insurance Services P O Box 3809 Baton Rouge, LA 70821-3809		(225) 336-3200		CONTACT NAME: Mike Grace PHONE: 225-336-3200 FAX: 225-336-4536 EMAIL: mike.grace@bxs.com ADDRESS:	
INSURED Explo Systems, Inc. 1600 Java Road Minden, LA 71055-7924				INSURER(S) AFFORDING COVERAGE INSURER A: Admiral Insurance Company INSURER B: Louisiana Work Comp Corporation INSURER C: INSURER D: INSURER E: INSURER F:	
				NAIC # 24856	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

PROD LTR	TYPE OF INSURANCE	ADDL SUBR (INSR) (IND)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS					
A	GENERAL LIABILITY		FEI-EIL-13688-00	3/12/2013	3/12/2014	EACH OCCURRENCE	\$ 2,000,000				
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000				
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person)	\$ 5,000				
						PERSONAL & ADV INJURY	\$ 2,000,000				
						GENERAL AGGREGATE	\$ 4,000,000				
						PRODUCTS - COMPROP AGG	\$ 4,000,000				
	GEN'L AGGREGATE LIMIT APPLIES PER:										
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC										
	AUTOMOBILE LIABILITY									COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO									BODILY INJURY (Per person)	\$
<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident)	\$				
<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident)	\$				
							\$				
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE	\$				
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE	\$				
	DED	RETENTION \$					\$				
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		85126-B	2/26/2013	2/26/2014	<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER					
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N				E.L. EACH ACCIDENT	\$ 1,000,000				
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000				
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Louisiana Military Department
100 Louisiana Blvd
Camp Minden
Minden, LA 71055-

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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RHMA

EVIDENCE OF PROPERTY INSURANCEDATE (MM/DD/YYYY)
4/11/2013

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Wright & Percy Insurance A Division of BancorpSouth Insurance Services P O Box 3809 Baton Rouge, LA 70821-3809		PHONE (AG. No. Ext): (225) 336-3200		COMPANY Liberty Surplus Insurance Corporation 175 Berkeley Street Boston, MA 02117-	
FAX (AG. No.): (225) 336-4536		E-MAIL ADDRESS:			
CODE:		SUB CODE:			
AGENCY CUSTOMER ID #: EXPLSYS-01					
INSURED Explo Systems, Inc. 1800 Java Road Minden, LA 71055-7924		LOAN NUMBER		POLICY NUMBER LHUESP00321880P	
		EFFECTIVE DATE 1/22/2013		EXPIRATION DATE 1/22/2014	
				<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION Loc # 1 Bldg # 1 Admin & Lab 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 10 Office 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 11 SCWD Building 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 12 Building 1607 - Propellant Demil 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 2 Building 1601 - Change Room 1601 Java Rd Minden LA 71055-
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


COVERAGE INFORMATION

COVERAGE / PERILS / FORMS				AMOUNT OF INSURANCE	DEDUCTIBLE
Loc#1 Bldg#1	Building	Special	Actual Cash Value	80,000	50,000
Loc#1 Bldg#2	Building	Special	Actual Cash Value	115,780	50,000
Loc#1 Bldg#3	Building	Special	Actual Cash Value	277,860	50,000
Loc#1 Bldg#4	Building	Special	Actual Cash Value	184,840	50,000
Loc#1 Bldg#5	Building	Special	Actual Cash Value	18,580	50,000
Loc#1 Bldg#6	Building	Special	Actual Cash Value	217,230	50,000
Loc#1 Bldg#7	Building	Special	Actual Cash Value	30,380	50,000
Loc#1 Bldg#8	Building	Special	Actual Cash Value	200,000	50,000
Loc#1 Bldg#9	Building	Special	Actual Cash Value	50,000	50,000
Loc#1 Bldg#10	Building	Special	Actual Cash Value	30,000	50,000
Loc#1 Bldg#11	Building	Special	Actual Cash Value	250,000	50,000
Loc#1 Bldg#12	Building	Special	Actual Cash Value	300,000	50,000

REMARKS (Including Special Conditions)**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Louisiana Military Department 100 Louisiana Blvd Camp Minden Minden, LA 71055-	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE 	



EXPLS9S-01

RHMA

CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
4/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wright & Percy Insurance A Division of BancorpSouth Insurance Services P O Box 3809 Baton Rouge, LA 70821-3809	(225) 336-3200	CONTACT NAME: Mike Grace PHONE (A/C No. Ext): 225-336-3200 FAX (A/C No.): 225-336-4836 E-MAIL ADDRESS: mike.grace@bxs1.com
INSURED Explo Systems, Inc. 1600 Java Road Minden, LA 71055-7924		INSURER(S) AFFORDING COVERAGE INSURER A: Admiral Insurance Company INSURER B: Louisiana Work Comp Corporation INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURER	TYPE OF INSURANCE	ADDRESS	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		FEI-EIL-13688-00	3/12/2013	3/12/2014	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 4,000,000
	AUTOMOBILE LIABILITY					PRODUCTS - COMPROP AGG \$ 4,000,000
	ANY AUTO					
	ALL OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$
	HIRED AUTOS					BODILY INJURY (Per person) \$
	SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB					
	EXCESS LIAB					EACH OCCURRENCE \$
	DED					AGGREGATE \$
	RETENTION \$					
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		85125-B	2/26/2013	2/26/2014	WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Louisiana Military Department
100 Louisiana Blvd
Camp Minden
Minden, LA 71055-

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael P. Khan

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RHMA

EVIDENCE OF PROPERTY INSURANCEDATE (MM/DD/YYYY)
4/11/2013

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Wright & Percy Insurance A Division of BancorpSouth Insurance Services P O Box 3809 Baton Rouge, LA 70821-3809		PHONE (A/C No. Ext): (225) 336-3200		COMPANY Liberty Surplus Insurance Corporation 175 Berkeley Street Boston, MA 02117-	
FAX (A/C No.): (225) 336-4536		E-MAIL ADDRESS:			
CODE:		SUB CODE:			
AGENCY CUSTOMER ID #: EXPLSYS-01					
INSURED Explo Systems, Inc. 1600 Java Road Minden, LA 71055-7924					
LOAN NUMBER			POLICY NUMBER LIUESP00321880P		
EFFECTIVE DATE 1/22/2013		EXPIRATION DATE 1/22/2014		<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION Loc # 1 Bldg # 1 Admin & Lab 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 10 Office 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 11 SCWD Building 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 12 Building 1607 - Propellant Demil 1601 Java Rd Minden LA 71055- Loc # 1 Bldg # 2 Building 1601 - Change Room 1601 Java Rd Minden LA 71055-
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS				AMOUNT OF INSURANCE	DEDUCTIBLE
Loc#1 Bldg#1	Building	Special	Actual Cash Value	80,000	50,000
Loc#1 Bldg#2	Building	Special	Actual Cash Value	115,790	50,000
Loc#1 Bldg#3	Building	Special	Actual Cash Value	277,880	50,000
Loc#1 Bldg#4	Building	Special	Actual Cash Value	184,940	50,000
Loc#1 Bldg#5	Building	Special	Actual Cash Value	18,590	50,000
Loc#1 Bldg#6	Building	Special	Actual Cash Value	217,230	50,000
Loc#1 Bldg#7	Building	Special	Actual Cash Value	30,380	50,000
Loc#1 Bldg#8	Building	Special	Actual Cash Value	200,000	50,000
Loc#1 Bldg#9	Building	Special	Actual Cash Value	50,000	50,000
Loc#1 Bldg#10	Building	Special	Actual Cash Value	30,000	50,000
Loc#1 Bldg#11	Building	Special	Actual Cash Value	250,000	50,000
Loc#1 Bldg#12	Building	Special	Actual Cash Value	300,000	50,000


REMARKS (Including Special Conditions)

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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Louisiana Military Department 100 Louisiana Blvd Camp Minden Minden, LA 71055-	<input type="checkbox"/>	MORTGAGEE	ADDITIONAL INSURED
	<input type="checkbox"/>	LOSS PAYEE	
	LOAN #		
	AUTHORIZED REPRESENTATIVE 		

PRODUCT SUPPLY AGREEMENT

This Product Supply Agreement ("Agreement") made and entered into as of the 11th day of July, 2008 ("Effective Date"), by and between Dyno Nobel Inc., a Delaware corporation, having an address of 2650 Decker lake Boulevard, Suite 300, Salt Lake City, Utah 84119 (hereinafter referred to as "Buyer") and Explo Systems, Inc., a Louisiana corporation, having an address of 1600 Java Road, Louisiana Army Ammunition Plant, Minden, Louisiana 71055 (hereinafter referred to as "Seller").

Recitals

WHEREAS, Seller is engaged in the demilitarization, distribution and/or sale of explosives and explosives-related products; and

WHEREAS, Buyer requires supply of certain explosives products emanating from Seller's operations; and

WHEREAS, Seller is desirous of selling such products to Buyer and Buyer is desirous of purchasing such products from Seller;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and agreements hereinafter contained, Seller and Buyer (the parties) hereby mutually agree as follows:

1. DEFINITIONS

1.1 "Product" or "Products" shall mean all Tritonal and TNT derived during the Term of this Agreement from the United States Army Conventional Ammunition Demilitarization Contract ("CADC") W521J-05-0075 as well as all now existing and future supply agreements between the Seller and General Dynamics OTS, McAlester Army Ammunition Plant, and Alliant Tech Systems.

2. QUALITY

The Products to be sold by Seller and purchased by Buyer shall meet the specifications set forth on Exhibit B hereto.

3. SHIPMENTS

3.1 Throughout the Term of this Agreement, Seller shall notify Buyer when Products are available and the quantities in which such Products are available. Seller will

use all commercially reasonable efforts to make Products available at regular time periods and in regular amounts during the Term of this Agreement.

- 3.2 Unless otherwise agreed by Seller and Buyer in writing all Product shipments shall be FOB Seller's site at Minden, Louisiana (the "Site"). Notwithstanding anything contained herein, Buyer shall have the right to store at any given time up to two (2) million pounds of Products at Seller's Site, at no additional cost.
- 3.3 Should the availability of the Products FOB Seller's Site at any given time exceed two (2) million pounds, Seller shall, at Buyer's direction, store all excess Products at its Site at a cost per pound not to exceed the then current rates charged for the same explosives storage service by Highland Industrial Park, located in East Camden, Arkansas. Seller shall add any such storage charges in detail on the invoices issued to Buyer in accordance with Section 5 herein.

4. QUANTITY

- 4.1 Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, one hundred percent (100%) of all of Seller's output of the Products during the Term of this Agreement on the basis set forth in Article 3 hereinabove, except for Seller's supply agreements as of the Effective Date (including but not limited to RFP's submitted to the United States Army/Department of the Army/Department of Defense prior to the Effective Date). Seller represents to Buyer that its output for such products is estimated to be 30,000,000 pounds of Product during the Term of this Agreement, and that Buyer, in its sole and absolute discretion and notwithstanding the other provisions herein, shall have the right but not the obligation to take any amount of the Products in excess of that estimated amount.
- 4.2 Buyer and Seller hereby agree, subject to Section 4.3 herein, that Buyer shall in each calendar week collect a minimum of 100,000 pounds of the Products from Seller's Site, plus or minus 25%. Any additional Products available to Buyer shall, at Buyer's option, be stored at Seller's Site in accordance with Section 3 herein.
- 4.3 Because Buyer's need for the Products may exceed the amount available pursuant to Section 4.1 herein, in addition to any rights and obligations of the parties contained herein, Buyer shall have the right of first refusal to purchase from Seller all Tritonal, TNT and TNT-based explosives products that Seller has the ability to purchase from sources in any nation within the geographic continent of Europe. Under this Agreement, Seller shall not have the obligation to seek out sources within the geographic continent of Europe for the described explosives products. Seller shall make all such products available to Buyer at a price not greater than EXW Source Factory Price plus 20% plus Seller's actual freight costs

DAS

from the source location FOB Seller's Site. If such products require additional processing in order to be used by Buyer, Buyer shall have the first right of refusal to purchase such products EXW Seller's Site at cost plus 20%. In all cases, Buyer shall have the right to inspect any such available products prior to exercising its right to purchase the products as set forth herein. Within thirty (30) days of Seller's written notification to Buyer that any such European-sourced products described herein are available for purchase by Buyer, Buyer shall either exercise its right to purchase such products or shall decline to purchase such products. If Buyer either refuses to purchase such products or does not communicate its decision to Seller, Seller shall have the absolute right to sell such European-sourced products to any other party.

- 4.3 Notwithstanding anything contained in this Agreement, Buyer's obligations under Sections 3.1, 3.3, 4.1, 4.2, and 5.3 shall not take effect until the Products required to be supplied by Seller to Buyer pursuant to agreements entered into between the parties (and further identified by Dyno Nobel Purchase Order Numbers 4500254942, 4500281464, and 4600000651) have been delivered by Seller in accordance with the terms of those agreements.

5. TERMS OF PAYMENT

- 5.1 The parties hereby agree that upon execution of this Agreement, Buyer shall pay to Seller the sum of Two Million Five Hundred Thousand Dollars (U.S. \$2,500,000) (the "Initial Amount"), less amounts that shall be paid simultaneous with the execution of this Agreement directly to creditors covered by Section 5.3. The Initial Amount shall be deemed a non-interest bearing loan which shall be repaid by credit to Buyer at the rate of \$0.08 per pound of Product delivered to Buyer by Seller. Any remaining balance of the Initial Amount shall be repaid in full to Buyer within thirty (30) days after exhaustion of the available Products, the expiration or termination of this Agreement in accordance with the terms contained herein, or when Seller shall have delivered 30,000,000 pounds of Products to Buyer, whichever shall come first.
- 5.2 At the time of the first payment set forth above, Buyer and Seller shall enter into a security agreement in the form of Exhibit C.
- 5.3 Upon execution of this Agreement, Seller shall take all necessary steps to repay its creditors and clear any and all loans, debts, interests, liens, and/or encumbrances related to Seller's Collateral (as defined in Exhibit C), and to extinguish and obtain releases from such creditors regarding any and all security interests that would otherwise prevent Seller from granting first priority security interest status to Buyer in accordance with the Security Agreement contained in Exhibit C.

5.4 Seller shall invoice Buyer for amounts delivered to Buyer at Seller's Site when such deliveries are made. Each invoice will show the quantities being delivered to Buyer, the price, credits in accordance with Section 5.1, and any other amounts Seller is required to collect from Buyer under this Agreement or any applicable law or regulation. Buyer's payment for each invoice shall be due to Seller on the basis of net thirty (30) days.

6. **PRODUCT PRICES**

Prices for the Product during the Term of this Agreement shall be as set forth in Exhibit A.

7. **TAXES, EXCISES AND OTHER CHARGES**

Seller shall pay all taxes, excises and other charges which Seller may be required to pay to any governmental agency (federal, provincial, state or local) upon, or measured by the volume, price or value of the production, storage, delivery, sale, transportation or use of the Product.

8. **TITLE AND RISK OF LOSS**

Title to the Product and risk of loss shall pass to Buyer when the Products have been delivered to Buyer's possession by Seller.

9. **BUYER'S CREDIT**

Buyer shall pay all properly invoiced amounts in accordance with the terms set forth in paragraph 5 above.

10. **WARRANTIES**

SELLER WARRANTS THAT IT HAS GOOD AND MARKETABLE TITLE TO THE PRODUCT DELIVERED HEREUNDER, FREE OF ANY AND ALL LIENS OR ENCUMBRANCES, AND THAT SUCH PRODUCTS AT THE TIME OF SHIPMENT MEET THE SPECIFICATIONS REQUIRED HEREIN. SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PRODUCT, OR AS TO THE RESULTS FROM USE THEREOF.

11. **INDEMNITY/LIMITATION OF LIABILITY**

- 11.1 Except to the extent such loss, cost or expense is caused by or results from the negligence or willful misconduct of Seller and/or its employees or agents, or attributable to the Products not conforming at the time of delivery to Buyer to the specifications set forth in Exhibit "B," Buyer shall indemnify and hold harmless Seller from all loss, cost or expense (including reasonable attorneys' fees) arising from or relating to:
- i) Injury or death of any person or damage to property occurring while Products are in the possession of Buyer
- 11.2 Except to the extent such loss, cost or expense is caused by or results from the negligence or willful misconduct of Buyer and its employees or agents, Seller shall indemnify, defend and hold harmless Buyer from all loss, cost or expense (including reasonable attorneys' fees) arising from or relating to:
- i) Claimed or actual infringement of any patent, copyright or trademark or violation of any trade secret by the Product or Seller;
 - ii) All liens or encumbrances on the Product provided hereunder that arise through Seller or any subcontractor or vendor to Seller;
 - iii) Injury or death of any person or damage to property occurring while Product is in the possession of Seller or attributable to the Product not conforming at the time of delivery to the specifications set forth in Exhibit B.
- 11.3 In no event shall Seller or Buyer have any liability to the other for any consequential, incidental, special or punitive damages, or anticipated profits.
- 11.4 Buyer and Seller shall give each other prompt notice of any facts known to them that they believe could give rise to the obligation of the other to indemnify hereunder. Seller and Buyer, as applicable, shall have the right to defend any proceeding against the other to which this indemnity applies and have the right to settle any such proceedings.
- 11.5 In no event shall the parties to this Agreement be deemed to be partners, joint venturers, or parties to any other relationship other than that of customer and supplier. In no event shall Buyer have any responsibility for Seller's activities or operations, including without limitation its explosives demilitarization operations, and Seller will indemnify and hold harmless Buyer against any and all claims, liabilities, suits, damages, or otherwise arising from or related to Seller's operations regarding the production of the Products or any other products available under this Agreement. Except to the extent inconsistent with the other

provisions of this Section 11, Seller shall have no responsibility for Buyer's activities or operations including without limitation any use of the Products following Seller making Products available to Buyer FOB Seller's Site and Buyer will indemnify and hold harmless Seller against any and all claims, liabilities, suits, damages or otherwise arising from or related to Buyer's operations including but not limited to the use of the Products.

12. DEFAULT, TERMINATION

- 12.1 Buyer may terminate this Agreement if (i) a material breach of the terms and conditions hereof by Seller occurs. If Buyer shall wish to terminate this Agreement due to a material breach thereof by Seller, Buyer shall provide Seller with written notice thereof and the reasons why it seeks to terminate this Agreement and Seller shall then have sixty (60) days from the date of receipt of such notice to cure the breach set forth in the notice. In the event Seller has not cured such default within such sixty (60) day period or taken reasonable steps to cure that such default within that period, Buyer may thereafter terminate this Agreement upon written notice to Seller.
- 12.2 Seller may terminate this Agreement upon a material breach of the terms and conditions hereof by Buyer. If Seller shall wish to terminate this Agreement, Seller shall provide Buyer with written notice thereof and the reasons why it seeks to terminate this Agreement and Buyer shall then have sixty (60) days from the date of receipt of such notice to cure the breach set forth in the notice. In the event Buyer has not cured such default within such sixty (60) day period or taken reasonable steps to begin to cure such default within that period, Seller may thereafter terminate this Agreement upon written notice to Buyer. Notwithstanding the foregoing, Seller may terminate this Agreement immediately or suspend shipment (without liability or notice) in the event Buyer has breached or is in breach of payment terms set forth in Section 5, above.
- 12.3 It shall be deemed a material breach hereunder if either party shall:
- a) Voluntarily petition under or otherwise seek the benefit of any bankruptcy, reorganization arrangement or insolvency law;
 - b) Make a general assignment for the benefit of creditors;
 - c) Be adjudicated bankrupt or insolvent; or
 - d) Allow a receiver or trustee of the business to be appointed. In the event of a material breach arising under this Section 12.3, this Agreement may be terminated immediately by the nonbreaching party upon written notice, with

the nonbreaching party retaining all of its other rights and remedies in law or equity.

13. **TERM**

This Agreement shall be effective as of July ^{AS} 11, 2008, and shall continue in effect for a period of five (5) years until July 10th, 2013 (the "Term") or until all Products available from the CADC, in the reasonable judgment of both parties, have been exhausted.

14. **ADVERTISING AND PUBLICIZING**

Neither Buyer nor Seller shall advertise, circulate, or release any information regarding this Agreement to any person, organization, news agency, or media without written consent of the other party.

15. **ASSIGNMENT**

This Agreement may be assigned by either party to any partnership, corporation, or unincorporated entity under the direct or indirect control of that party, or to any parent company of that party, without the other party's consent. Otherwise, this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, this Agreement may be assigned and transferred by either party to a transferee of all or a substantial part of the assets involved in the transferring party's performance of this Agreement. The provisions of this Agreement shall be binding on and inure to the benefit of the Assignees of either party.

In the event that Seller ceases its business or operations for whatever reason, Seller hereby covenants that it has the authority to, and will assign to Buyer, at Buyer's sole and exclusive option, which option shall not be deemed to confer upon buyer any obligation whatsoever, all of Seller's purchase contracts then in place for the purchase of explosives.

16. **AMENDMENT**

The terms contained herein constitute the entire Agreement of the parties regarding the subject matter hereof and there are no agreements, understandings, obligations, promises, assurances, or conditions, precedent or otherwise, except those expressly set out herein. This Agreement may be modified except by an instrument in writing, signed by both parties. Except as otherwise specifically contained herein, this Agreement supersedes and replaces all prior agreements with respect to the subject matter contained herein.

17. FORCE MAJEURE

Neither Buyer nor Seller shall be liable for any failure or delay in making or taking any shipment or delivery of Product, or any portion hereof, if such failure or delay is occasioned by compliance with law or governmental regulation, request or order of any governmental agency, or by circumstances beyond the reasonable control of the party so failing or delaying, including, but not limited to, acts of God, war, fire, flood, accident, labor disputes or interruptions, or shortage, interruption of or delay in transportation or inability to obtain any material used in or equipment needed for the production, handling, storage or transportation of the Product which is the subject of this agreement, whether in any such case such circumstances exist on the date of this Agreement or thereafter arise, and the quantities so affected may be eliminated from this Agreement, but this agreement shall otherwise remain in full force and effect.

18. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

19. NOTICES

Notices required by this Agreement shall be in writing and shall be effective upon receipt by the person at the address named below.

For SELLER:

Dyno Nobel Inc.
2650 Decker Lake Blvd., Ste. 300
Salt Lake City, Utah 84119
Attn: Legal Department

For BUYER:

Explo Systems, Inc.
1600 Java Road
Minden, LA 71055
Attn: David Smith

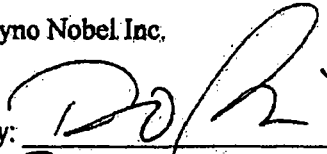
20. MISCELLANEOUS

- 20.1 No waiver by either Seller or Buyer of any breach or default of the other under this Agreement shall operate as a waiver of any future default whether of like or different character or nature, nor shall any failure to exercise any right hereunder be considered a waiver of such right in the future.
- 20.2 The article headings in this Agreement are inserted for convenience only, and shall not be considered a part of this Agreement or used in its interpretation. Provisions of this Agreement are intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates first set forth above.


BUYER:

Dyno Nobel Inc.

By: 
Its: Pres. & CEO

SELLER:

Explo Systems Inc.

By: 
Its: VICE PRESIDENT

PRODUCT SUPPLY AGREEMENT

EXHIBIT A

PRODUCT PRICES

TNT \$0.90 PER POUND (FLAKED) vs. 80 on current 46... 755
TRITONAL \$0.60 PER POUND (FLAKED) vs. 546 on current 4500281464
TRITONAL \$0.55 PER POUND (CRUSHED) vs. 446
AL/TNT BRIQUETS \$0.43 PER POUND same as current 4500254942
ALL PRICES FOB MINDEN, LOUISIANA

50% TRIT - CAMO⁷⁷ 12 m lbs
15 m lbs
WOIL²³ 3 m lbs
35% TNT - MEX⁵⁵ 6 m lbs
10.5 m lbs
WOIL⁴⁵ 4.5 m lbs
15% BRIQ - MEX⁵⁰ 2.5 m lbs
4.5 m lbs
30 m lbs TOTAL
WOIL⁵⁰ 2.0 m lbs

PRODUCT SUPPLY AGREEMENT

EXHIBIT B

PRODUCT SPECIFICATIONS

RECLAIMED TNT SPECIFICATION

2, 4, 6 Trinitrotoluene

Set Point 80.1° C. minimum

Insoluble Matter 1.0% maximum

DNT content 0.1% maximum

Sodium 0.001% maximum

Acidity 0.04% maximum

Moisture 0.20% maximum

Alkalinity Trace

Granulation Flakes

Foreign Material – essentially none

DNT 0.1% maximum

Packaging:

Packed in UN/DOT-approved corrugated or solid fibre boxes containing 50 pounds N.E.W. TNT in poly box liners. Boxes to be packed on ISPM-15 wooden pallets to a specification strong enough to withstand long distance truck transport and multiple handling.

Other:

Seller must furnish to Buyer a copy of the Letter of Competent Authority (EX number) from the US Department of Transportation for the TNT prior to shipping.

RECLAIMED TRITONAL SPECIFICATION

TNT (% by weight) 80 +/- 3.0%

Aluminum (% by weight) 20 +/- 3.0%

Moisture 2.0% maximum

Hot Melt 1.0% maximum

Foreign Material – essentially none

DNT 0.1% maximum

Granulation Flakes (or, if customer prefers: crushed into chunks of an agreed-upon size).

Packaging:

Packed in UN/DOT-approved corrugated or solid fibre boxes containing 50 pounds N.E.W. Tritonal in poly box liners. Boxes to be packed on ISPM-15 wooden pallets to a specification strong enough to withstand long distance truck transport and multiple handling.

Other:

Seller must furnish to Buyer a copy of the Letter of Competent Authority (EX number) from the US Department of Transportation prior to shipping.

AL / TNT "BRIQUET" SPECIFICATION

AL/TNT Briquets are a by product of the demilitarization process used to separate TNT from the aluminum powder and hot melt in Tritonal.

Specifications:

75 +/- 5% Aluminum Powder

25 +/- 5% TNT

Granulation - small chunks

Foreign Material - essentially none

DNT 0.1% maximum

Packaging:

Packed in UN/DOT-approved corrugated or solid fibre boxes containing 50 pounds N.E.W. TNT in poly box liners. Boxes to be packed on ISPM-15 wooden pallets to a specification strong enough to withstand long distance truck transport and multiple handling.

Other:

Supplier must furnish to DNI a copy of the Letter of Competent Authority (EX number) from the US Department of Transportation prior to shipping.

PRODUCT SUPPLY AGREEMENT

EXHIBIT C

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into this 11th day of July, 2008, by and between Dyno Nobel Inc., a Delaware corporation ("Secured Party") and Explo Systems, Inc., a Louisiana corporation ("Debtor").

RECITALS

WHEREAS, Secured Party has agreed to make a prepayment to Debtor to assist in preparation of the Products for sale; and

WHEREAS, Secured Party and Debtor have entered into that certain Product Supply Agreement dated July 11th, 2008, (the "Contract") wherein Secured Party has agreed to purchase and Debtor has agreed to sell certain products, supplies and materials to Secured Party on an output basis; and

WHEREAS, Debtor desires to grant to Secured Party a security interest in certain properties and assets to secure Debtor's obligations to Secured Party;

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Secured Party and Debtor hereby agree as follows:

Section 1. Grant of Security Interest. Debtor hereby assigns and grants to Secured Party a security interest and lien in the property described in Section 2 below (collectively and severally, the "Collateral") to secure payment and performance of the obligations of Debtor to Secured Party described in Section 3 below (collectively and severally, the "Obligations").

Section 2. Collateral. The Collateral shall consist of the following property:

(a) All accounts, instruments, documents and chattel paper; any other obligations or indebtedness owed to Debtor arising from Debtor's Operations; all rights of Debtor to receive any payments in money or kind; all guaranties of the foregoing and security therefor; all of the right, title, and interest of Debtor in and with respect to the goods, services, or other property that gave rise to or that secure any of the foregoing and insurance policies and proceeds relating thereto.

(b) All goods, inventory, and other personal property now owned or hereafter acquired by Debtor that are held for sale or lease, or are furnished or to be furnished under any

contract of service, in connection with Debtor's Operations; raw materials, work-in-process, supplies, finished goods or materials used or consumed in Debtor's Operations; and all products, substitutions, replacements, additions, or accessions thereof and thereto.

(c) All machinery, equipment, furniture and fixtures now owned or hereafter acquired by Debtor and used or acquired for use in Debtor's Operations, together with all accessions thereto and all substitutions and replacements thereof and parts therefor.

(d) All customer lists and information, customer purchase commitments, contracts, obligations, goodwill, price lists, accounting records, marketing materials, ledger sheets, files, records, documents, and instruments (including, but not limited to, computer programs, tapes and related electronic data processing software) relating to Debtor's Operations, together with all cabinets and similar storage units in which the same are maintained, all whether now existing or hereafter arising.

(e) All other items of personal property, both tangible and intangible, owned by Debtor that constitute a part of or are otherwise used in connection with any of the Collateral described in paragraphs (a) through (d) hereof.

(f) All proceeds and products of the foregoing Collateral. For purposes of this Security Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including returned premiums, with respect to any insurance relating thereto.

Section 3. Obligations. The Obligations of Debtor secured by this Security Agreement shall consist of the following:

(a) Performance of the obligation set forth in Section 5 of that certain Product Supply Agreement between Secured Party and Debtor with an Effective Date of July 11, 2008 ("Product Supply Agreement").

(b) Payment of any and all costs and expenses incurred by Secured Party pursuant to Section 13 below.

Section 4. Additional Representations and Warranties. Debtor hereby represents and warrants that, subject to and in accordance with Section 5 of the Product Supply Agreement, :

(a) except as heretofore disclosed to Secured Party in writing, Debtor is (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will be) the owner of the Collateral and that no other person has any right, title, claim or interest in, against or to the Collateral;

(b) all information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Debtor with respect to the collateral is true and correct in all material respects;

(c) each account, general intangible, item of chattel paper, instrument or any other right to the payment of money constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay the same, which terms have not been modified or waived in any respect or to any extent;

(d) no effective financing statement or other instrument similar in effect covering all or any part of the collateral is on file in any recording office, except such as may have been filed in favor of Secured Party relating to this Security Agreement; and

(e) this Security Agreement creates and constitutes a valid and perfected first priority security interest in the Collateral, enforceable against Debtor and all third parties, securing Debtor's payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interests have been duly taken.

These representations and warranties shall survive the execution of this Security Agreement and shall remain effective until the Obligations have been paid in full.

Section 5. Additional Covenants of Debtor. Debtor hereby agrees:

(a) to do all acts that may be necessary to maintain, preserve and protect the Collateral;

(b) not to use or permit any collateral to be used unlawfully or in violation of any provision of this Security Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral;

(c) to pay promptly when due all taxes, assessments, charges, encumbrances and liens now or hereafter imposed upon or affecting any Collateral;

(d) to give Secured Party thirty (30) days prior written notice of any change in Debtor's name or in Debtor's address for Debtor's Operations;

(e) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings (and pay promptly all related filing fees, stamp taxes or similar costs and expenses) deemed necessary or appropriate by Secured Party to perfect, maintain and protect the security interest created hereunder and the priority thereof;

(f) to deliver promptly to Secured Party all originals of Collateral or proceeds consisting of chattel paper or instruments;

(g) to appear in and defend any action or proceeding which may affect its title to or Secured Party's interest in the Collateral;

(h) to keep separate, accurate and complete records of the Collateral and to provide Secured Party promptly with such records and such other reports and information relating to the Collateral as Secured Party may reasonably request from time to time;

(i) not to surrender or lose possession of (other than to Secured Party), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein except in the ordinary course of business;

(j) to keep the Collateral free of all liens and security interests or other levies or charges except those approved in writing by Secured Party;

(k) to keep the Collateral in good condition and repair;

(l) not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral;

(m) at any time, upon demand by Secured Party, to exhibit to and allow inspection by Secured party (or persons designated by Secured Party) of the Collateral;

(n) to accept sales or transfers in the ordinary course of business, to keep the Collateral at the location set forth in section 12 below and not to remove the Collateral from such locations(s) without the prior written consent of Secured Party;

(o) to insure the Collateral, with Secured Party named as loss payee, insured against the following risks in the following limits of coverage:

- i. General Liability
 - 1. \$1,000,000 per occurrence
 - 2. \$2,000,000 aggregate
- ii. Property Casualty - \$2,400,000

Section 6. Default and Remedies. Debtor shall be deemed in default under this Agreement only to the extent Debtor may have liability under Section 5 of the Product Supply Agreement. Upon default, Secured Party may, at its option and without notice to or demand on Debtor, do any one or more of the following:

(a) enforce Secured Party's security interest in any manner permitted by the Uniform Commercial Code as adopted in the State of Louisiana and in any case where notice is required thereunder and is not otherwise waived (ten (10) days' notice shall be deemed reasonable notice);

(b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as Secured Party may determine;

(c) require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party;

(d) enter onto property where any Collateral is located and take possession thereof with or without judicial process, and Debtor waives all claims for damages due to or arising from or connected with any such taking; and

(e) prior to the disposition of the Collateral, store it for disposition in any manner and to the extent Secured Party deems appropriate and in connection with such preparation and disposition, without charge, use any trademark, copyright, patent or technical process used by Debtor.

Section 7. Cumulative Rights. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law or any other agreement between Debtor and Secured Party, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's security interest in the Collateral.

Section 8. Waiver. Any forbearance, failure or delay by Secured Party in exercising any right, power or remedy shall not preclude the further exercise thereof, and every right, power or remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived in a writing executed by Secured Party. Debtor waives any right to require Secured Party: (i) to proceed against any person, firm or corporation; (ii) to exhaust any Collateral it may hold at any time; (iii) to apply any Collateral in any order; (iv) to pursue any other remedy whatsoever in Secured Party's power; or (v) to obtain any bond under claim and delivery proceedings or retain possession of and not dispose of any Collateral taken under claim and delivery proceedings until after trial or final judgment. Debtor further waives, to the full extent permitted by law, all rights to notice or a judicial hearing prior to the time Secured Party takes possession or disposes of the Collateral upon default as provided in Section 6 hereof.

Section 9. Binding Upon Successors. All rights of Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall bind its heirs, executors, administrators, successors and assigns.

Section 10. Entire Agreement; Severability. This Security Agreement constitutes a final written expression of all of the terms of the agreement between Secured Party and Debtor regarding the subject matter of this Security Agreement and supersedes all prior agreements, understandings and representations between the parties. If any of the provisions of this Security

Agreement shall be held invalid or unenforceable, this Security Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

Section 11. Choice of Law. This Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, and, where applicable and except as otherwise defined herein, terms used herein shall have the meanings given them in the Delaware Uniform Commercial Code.

Section 12. Address; Collateral Location. Debtor represents that its principal place of business is located at:

1600 Java Road
Minden, Louisiana 71105

and that all of the Collateral is located at the above location.

Section 13. Expenses. Debtor will upon demand pay to Secured Party the amount of any and all reasonable costs and disbursements of its counsel (whether or not suit is instituted), and of any agents, which Secured Party may incur in connection with the following: (i) the enforcement of this Security Agreement; (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral; or (iii) the enforcement of payment of all obligations of Debtor by any action or participation in, or in connection with, a case or proceeding under the United States Bankruptcy Code, or any successor statute thereto. All of such costs and expenses shall be included in the Obligations and shall bear interest from the date of expenditure at the legal rate until paid.

Section 14. Notice. All notices, consents or other communications provided for in this Security Agreement or otherwise required by law shall be in writing and may be given to or made upon the respective parties hereto at the following addresses:

Secured Party: Dyno Nobel Inc.
2650 Decker lake Blvd., Suite 300
Salt Lake City, UT 84119
Attn: Legal Department

Debtor: Explo Systems, Inc.
1600 Java Road
Minden, LA 71055
Attn: David Smith

Such addresses may be changed by notice given as provided herein. Notices shall be effective upon the date of receipt, provided that notices (other than a notice of a change of address) sent by certified or registered mail, with postage prepaid, shall be presumed received no later than three (3) business days following the date of sending.

Section 15. Amendment. This Security Agreement may not be modified except in a writing signed by Secured Party and Debtor. This Security Agreement may not be modified by an oral agreement, even if supported by new consideration.

Section 16. Termination and Release of Collateral. Secured party shall be under no obligation to return any collateral, terminate any financing statement or otherwise release the security interest granted hereunder, unless and until Debtor, if requested by Secured Party, has delivered a general release to Secured Party with respect to any and all claims involving or otherwise related to this Security Agreement or the Obligations.

Section 17. Counterparts. This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 18. Attorneys' Fees. Should any party hereto retain counsel for the purpose of enforcing, or preventing the breach of any provision hereof, including, but not limited to, the institution of any action or legal proceeding to enforce any provision hereof or to enjoin any breach of any provision of this Agreement, or for a declaration of such party's rights or obligations hereunder, or for any other judicial remedy, the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees (including costs of appeal). To be a prevailing party, a party need not institute litigation or obtain a judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the date and year first above written.

SECURED PARTY:

DYNO NOBEL INC.

By 

Its Pres. & CEO.

DEBTOR:

EXPLO SYSTEMS, INC.

By 

Its VICE PRESIDENT

BST Manufacturing Inc.
924 Hawaii Avenue
Minden, Louisiana 71055

PRODUCTS AND SERVICES SUPPLY CONTRACT (THIS "CONTRACT")

BUYER BST Manufacturing Inc. ("BST" or "Buyer"), having a place of business at 924 Hawaii Avenue Minden, LA, 71055.

Explo System Inc. ("SELLER") AGREES TO SELL TO BST, AND BST AGREES TO PURCHASE FROM SELLER, THE PRODUCTS DESCRIBED BELOW ON THE TERMS AND CONDITIONS SET OUT IN THIS CONTRACT.

CONTRACT TERM This Contract shall be effective as commencing as of June 1, 2008, and shall continue in full force and effect until March 31, 2012.

PRODUCTS BST shall purchase, and Seller shall supply, the Products described in Attachment A hereto.

INTENDED USE BST intends to incorporate the Product into BST's Cast Booster or other similar products which will then be used by BST or its affiliates or resold to third parties.

QUANTITY Seller shall supply up to four million (4,000,000) pounds of Product during the term of this Contract. BST from time to time may require Seller to deliver Products by issuing a purchase order to Seller, which states the quantity of Products Seller requires, Seller's required delivery date and any other specific terms applicable to such order of Products (each, a "Purchase Order"). Nothing in this Contract shall require Buyer to purchase a minimum quantity of Products. In the event of a conflict between this Contract and any terms contained in a Purchase Order, the terms of this Contract shall prevail.

CAPACITY Seller shall have the ability to produce, sell, transfer and deliver Products to Orica at minimum rates per week as set forth in Attachment A. Seller will make good-faith efforts to provide BST's requirements in excess of such amounts within the terms and conditions of this Agreement. Should BST have temporary requirements in excess of these amounts, the parties shall meet in an effort to remedy this situation in a manner satisfactory to both parties. Seller shall deliver the Product to BST in compliance with this Contract not later than 14 days after receipt of a Purchase Order from BST.

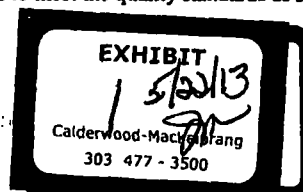
**PRICES;
SPECIFICATIONS** Prices and specifications for the Products shall be as set out in Attachment A.

PRE-PAYMENT Upon delivery to BST of this fully-executed Contract, BST agrees to pay to Seller \$160,000, which shall be deemed a pre-payment for Products and shall be applied against amounts that BST may owe Seller under this Contract at the rate of \$0.04/pound of Product supplied by Seller.

PAYMENT TERMS 15 days after BST's receipt of an accurate invoice. BST shall not be required to accept invoices for Products not yet received.

DELIVERY POINT Products shall be delivered to Buyer's magazines for the Products at 924 Hawaii Avenue Minden, LA, 71055 ("Buyer's Plant"). Risk of loss shall transfer only upon delivery of Products to Buyer's Plant. Until delivery at the Buyer's Plant, all costs for shipping of Products and all liabilities relating to the Products, including, without limitation, risk of loss, shall be borne by Seller.

TERMINATION The Contract terminates upon the earlier of (a) the delivery of 4,000,000 pounds of Product by Seller, or (b) March 31, 2012. In addition, Buyer may terminate this Contract immediately if Seller fails to deliver the Product at the weekly quantities specified in Exhibit A, fails to meet the quality standards as set forth on Exhibit A, or



Orica000001

at any time for any reason upon 90 days written notice to Seller. If Buyer terminates the Contract before ordering 4,000,000 pounds of Products from Seller, Buyer shall forfeit any remaining pre-payment. Such forfeited pre-payment shall be the limit of Buyer's liability for any early termination.

**CONTRACT
DOCUMENTS**

This Contract consists of this page, the attached Terms and Conditions of Purchase and Attachment A (Products, Specifications and Prices)

This Contract is executed for and on behalf of Seller and BST by their duly authorized representatives.	
Explo System Inc. ("Seller")	BST MANUFACTURING INC. ("BST")
By: <u>[Signature]</u> (Signature)	By: <u>[Signature]</u> (Signature)
<u>DAVID FINCHER PRESIDENT</u> (Printed name & title)	Name & Title: <u>Marshall Sr Vice President</u> (Printed name & title)
Dated: <u>6-04-08</u>	Dated: <u>03 Jun 2008</u>
Address: <u>1600 JAWA</u> <u>MINDEN, LA. 71055</u>	

**Terms and Condition of Purchase
(Products)**

1. **General.** This Contract represents the entire agreement between Buyer and Seller for the purchase of the Products. Any additional or different terms proposed by Seller are specifically rejected, unless expressly agreed to in a writing signed by an authorized representative of BST.
2. **Acceptance.** Each shipment received by Buyer shall only be upon the terms of this Contract, notwithstanding any terms contained in any quotation, acknowledgment, delivery document, invoice, or other form of Seller, or Buyer's acceptance of, or payment for, any shipment of Products.
3. **Acceptance of Products; Delivery.**
 - 3.1 In the event of delivery of Products that are visibly damaged or do not visibly conform to what is ordered under a Purchase Order or have other visible non-conformities that are not within the agreed specifications, BST may reject such Products by giving written notice to Seller. Such notice shall contain reasonable detail of the damage or other non-conformity and shall be given as soon as practicable after delivery to the Buyer's Plant and inspection by the Buyer or its inspection agent.
 - 3.2 If a delivery of Products under a Purchase Order does not have the number or amount of Products ordered, BST will advise Seller as soon as practicable after the delivery of such Products.
 - 3.3 BST may, but is not required to, inspect and test the Products to determine whether the Products comply with the specifications set forth on Exhibit A by using appropriate means, including selection of samples for testing and analysis. Seller acknowledges that (i) not all Products will be tested; (ii) BST has no obligation to test any of the Products; and (iii) BST may not discover Product defects or non-conformity with the specifications until actual use or attempted use by affiliates of BST or third-party purchasers (such users, the "Relevant Companies"). If such testing or use indicates that the Products are not within required specifications, then BST may reject such Products and revoke any acceptance by giving written notice to Seller containing reasonable detail of the non-conformity promptly after such non-conformity first becomes known to BST.
 - 3.4 In the event of a rejection and/or revocation of acceptance of the Products, BST shall take reasonable steps to protect the remainder of the non-conforming Product at the Seller's cost and risk, and the Seller must, as soon as possible and at its sole risk and cost, collect and remove all such non-conforming Products. Without limitation, Seller must as soon as possible and, at its sole cost, replace and deliver to BST at the Buyer's Plant replacement Product meeting the specifications and free of non-conformity, for all Products rejected. The Seller shall retain title to, and risk of loss of, the Products until the Products are delivered to, and accepted by, the Relevant Company at the Delivery Point. Title

to and risk of loss of any non-conforming product that is rejected or for which the acceptance is revoked under this Contract shall be retained by the Seller. For the avoidance of doubt, if the Product is rejected or the previous acceptance has been revoked, risk of loss and title in the Product shall be deemed to have not passed to BST from the Seller. If title and/or risk of loss are deemed by applicable law to have passed to BST, such title and risk of loss shall be deemed to have immediately reverted in Seller and the material shall be made available for the possession being assumed by Seller or its agent.

- 3.5 If any agreed date for delivery of the Product (the "Delivery Date") cannot be met, the Seller shall promptly notify BST of the earliest possible date for delivery. Unless BST expressly agrees in writing to a substitute Delivery Date, Seller's failure to timely deliver Product and/or Services shall constitute a default under the terms of this Contract.
4. **Taxes.** Federal, state or local taxes of any nature that are billed to Buyer shall be stated separately in Seller's invoices.
5. **Quality.** Seller warrants for a period of one (1) year after date of delivery that the Products delivered pursuant to this Contract: (i) shall conform with the specifications, drawings or samples, furnished by Buyer and set out in Attachment A; (ii) are free of defects in material, workmanship or design; (iii) are of merchantable quality and are fit for the intended purpose for which they are purchased; (iv) are new (unless otherwise specified); and (v) are free from all liens and encumbrances and Seller has good marketable title thereto. These warranties shall be in addition to any other applicable warranties, express or implied, or statutory, and shall survive any inspection, delivery, acceptance or payment by Buyer. Notice of breach shall be deemed sufficient if given within sixty (60) days after discovery thereof by Buyer.
6. **Defective Products.** If any of the Products fail to comply with any term or condition of this Contract, Seller shall promptly correct such discrepancy or replace such Products at Seller's expense following notice of such discrepancy from Buyer. If Seller shall fail to so act within five (5) Business Days of such notice, Buyer may cancel the applicable Purchase Order by giving Seller notice, in addition to its other rights and remedies hereunder and at law and equity. Buyer also may, at its option, cancel this Contract by notice and as to all or any part of the Products, purchase substitute Products elsewhere and charge Seller with any loss incurred.
7. **Intellectual Property.** Seller warrants that the Products do not infringe upon or constitute an unauthorized use of any patent, trade secret, copyright, or other intellectual property right, and Seller shall indemnify, defend and hold harmless Buyer from and against any and all demands, claims, proceedings, actions, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees) asserted against or incurred by Buyer by reason of, resulting from, or arising in connection with any breach of this Section 7.
8. **Indemnity.** Seller shall indemnify and hold Buyer harmless from and against any suits,

liabilities, losses, damages, claims, causes of actions, and expenses (including reasonable attorneys' fees) arising out of or connected with any act or omission of Seller, its agents, employees, or subcontractors, or a breach by Seller of these terms and conditions. This indemnification shall be in addition to the warranty obligations of Seller.

9. **Compliance with Law.** Seller hereby certifies that all Products to be furnished hereunder shall be manufactured and furnished by Seller in compliance with all applicable federal, state, and local laws, regulations, rules and ordinances including, without limitation, any fair labor standards or statutes and any statute or regulation regulating occupational safety and health. Seller shall, if requested by Buyer, certify such compliance to Buyer in writing.
10. **Packaging.** The Products shall be properly packed to avoid damage during loading, transportation and unloading. No charge will be allowed for packing, crating or carriage unless stated on the face of this Contract. All Products that are "Hazardous Materials" as defined by applicable Laws shall be marked by Seller with international danger symbols and display the name of the material in English. Delivery and other shipping documents must include disclosure of the relevant hazard(s) and emergency response procedures. Such information may be provided on a Material Safety Data Sheet furnished with the Products that clearly identifies each hazardous chemical and includes information concerning its carcinogenicity or toxicity.
11. **Buyer's Rights in Specifications, etc.** Any specifications, plans, drawings, process information, patterns or designs supplied by Buyer to Seller in connection with this Contract shall remain the property of Buyer, and any information derived therefrom or otherwise communicated to Seller in connection with this Contract shall be kept confidential and shall not, without the written consent of Buyer, be published or disclosed to any third party, or be used by Seller except for the purpose of implementing this Contract. Any specification, plans, drawings, process information, patterns or designs supplied by Buyer to Seller must be returned to Buyer on request by Buyer and in any event upon the termination of this Contract. Any invention or improvement made by Seller attributable in whole or in part to such specifications, plans, drawings, process information, patterns or designs shall be the property of Buyer.
12. **Work on Buyer's Site.** Should Seller be required to carry out any work on a site of Buyer, all such work shall be subject to, in addition to this Contract and any conditions imposed by law, any conditions for On-Site Work by Contractors for the particular site, a copy of which will be furnished to Seller before any work commences.
13. **Force Majeure.** Neither Buyer nor Seller shall be liable to the other for default or delay in performing its obligations under this Contract caused by any occurrence beyond its reasonable control, including without limitation, natural phenomena such as earthquakes and floods, fires, riots, acts of terrorism, war, freight embargoes, or other cause, whether similar or dissimilar to those enumerated above, provided always that such force majeure event was unforeseeable, not attributable to the party affected

thereby, and prevents the total or partial carrying out of any obligation under this Contract. In the event of force majeure, the party being delayed or prevented from performing thereby shall inform the other party, in writing, as soon as possible but in any event within five (5) days after the start of the force majeure event, and shall specify the nature of the force majeure and the estimated duration thereof. In the event the force majeure lasts for more than thirty (30) days or is reasonably expected to last more than thirty (30) days, then either party may immediately terminate this Contract by simple notice in writing and without either party being entitled to any claim for loss or damage. Otherwise both parties' rights and obligations shall be suspended for the period of the force majeure and new time schedules and supply dates shall be agreed upon, in writing, between the parties hereto.

14. **Remedies.** No remedy provided herein shall be deemed exclusive of any other remedy available at law or equity. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for setoff or counterclaims arising out of this Contract to Seller.
15. **Assignment.** Seller shall not delegate any duties nor assign any rights or claims under this Contract without the express prior written consent of Buyer. Any assignment or delegation made without Buyer's consent shall be null and void.
16. **Governing Law.** This Contract and the acceptance of it shall, as provided herein, constitute a contract made in, and to be governed in all respects by the laws of the state of Colorado, excluding its principles of conflicts of law, and the parties irrevocably agree to submit to the jurisdiction and venue of the courts of the state of Colorado to adjudicate any dispute arising hereunder.
17. **Waiver.** Failure by either party hereto to enforce any provisions of this Contract or any rights hereunder, or failure to exercise any election provided for herein, shall in no way be considered a waiver of such provisions, rights, or elections, or in any way affect the party's right to later enforce or exercise the same or other provisions, rights, or elections it may have under this Contract.
18. **Notices.** Any notice required or otherwise given pursuant to this Contract shall be in writing and shall be hand delivered, mailed certified mail, return receipt requested, postage prepaid, or by recognized delivery service. Any notice to Buyer shall be addressed as follows: Purchasing Manager, BST Manufacturing Inc., 33101 East Quincy Avenue, Watkins, CO 80137. Any notice to Seller shall be directed to the address of Seller, which shall be furnished to Buyer concurrent with the execution of this Agreement.

ATTACHMENT A
PRODUCTS AND PRICES

The prices stated include costs for packing, crating, and transportation to Buyer's Plant.

TNT Specifications:

Solidification Point: 80.0C Minimum

Insolubles: Less Than .1%

Moisture: Less Than .1%

Acidity: None

Sodium: Less Than .001%

TNT Price: \$0.80 USD/lb . (Invoiced Price = \$0.80/lb (total price) less
\$0.04/lb (down payment) = \$0.76 USD/lb.)

TNT Seller Capacity: 35,000lb/week starting June 1, 2008
50,000lb/week starting August 15, 2008

TRITONAL Specifications:

Moisture: Less Than 1.0%

TNT: 80% + or - 3%

Aluminum: 20% + or - 3%

Tritonal Price: \$0.55 USD/lb. (Invoiced Price = \$0.55/lb (total price) less
\$0.04/lb (down payment) = \$0.51 USD/lb.)

Tritonal Seller Capacity: 70,000 lb/week starting June 1, 2008